



City of Amarillo

Analysis of Impediments to Fair Housing Choice



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Adopted July 26, 2005

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Executive Summary

Community Profiles

The City of Amarillo, with a population of 173,627 in 2000, is the county seat of Potter County, located in Potter and Randall County. The city is supported by two interstate highways, I-40 and I-27, and a major railroad, the Burlington Northern Santa Fe Railway. Amarillo is considered the regional service center for the Texas Panhandle as well as eastern New Mexico and the Oklahoma Panhandle. The City of Amarillo experienced a 10.16 percent increase in population from 1990 to 2000. The Hispanic population had a significant increase of 63.35 percent to become 21.86 percent of the total Amarillo population with 37,947 individuals. The White non-Hispanic and African-American population experienced smaller increases with 3.23 percent and 9.71 percent, respectively. In the 2000 Census, the White non-Hispanic population was 134,563 and the African-American population was 10,358. The "Other" racial category accounts for 13.67 percent of the total Amarillo population with 23,733 people.

From 1990 to 2000, Hispanic families with children, headed by females, increased from 13.5 percent to 16.3 percent of all Hispanic households. Among African-American households, the percentage increased from 28.89 percent to 30.8 percent. The percent of White families with children, headed by females, remained relatively stable at 8.6 of all White households. Over 29 percent of all White households have children under the age of 18 present, compared to 58.2 percent of Hispanic households and 41.5 percent of African-American households. Over 14 percent of all persons in Amarillo reside in non-family households.

According to the US Bureau of Labor Statistics, the industry with the largest contribution to personal income in Amarillo in 2000 was the services industry. The services industry income grew by 0.82 percentage points from 1990 to account for 23.52 percent of personal earnings for Amarillo. The government

industry contributed 16.37 percent, declining by 0.98 percentage points from 1990. The retail trade category contributed 10.16 percent, declining 0.89 percentage points between 1990 and 2000.

Among local employers, the largest is Tyson Foods, with 3,700 employees. The next largest is the Amarillo Independent School District with 3,659 employees followed by BWXT, Baptist St. Anthony's Health Care System, City of Amarillo, and Northwest Texas Healthcare System.

Nearly 37.5 percent of African-American households reported 2000 income below \$15,000, compared to 17.59 percent of White households and 22.08 percent of Hispanic households. Over 34.6 percent of the total African-American population lived in poverty in 2000, compared to 22.8 percent of the Hispanic population and 10 percent of the White population. Just over 46 percent of African-American children below the age of 5, 17.9 percent of White children below the age of 5, and 29.1 percent of Hispanic children under the age of five lived in poverty. In 2004, the total unemployment rate was 3.4 percent. In 2000, the White unemployment rate was 4.47 percent, the African-American rate was 14.79 percent, and the Hispanic rate was 7.17 percent.

Local transit services in the city of Amarillo are provided through the Amarillo City Transit (ACT) Department. ACT operates eight routes Monday through Saturday from 6:30 a.m. to 6:30 p.m. The transit department's goal is to provide safe, economical, and efficient transportation to the citizens of Amarillo. ACT includes fixed route transit and demand response paratransit. Paratransit, Spec-Trans, is designed for persons with disabilities.

Of the 72,332 housing units located in Amarillo, nearly 71 percent were classified as single-family. Among the occupied units, 59.12 percent were owner-occupied and 6.53 percent of all units were vacant. Slightly more than 40 percent of all housing units were built prior to 1960. The median home value reported by the U.S. Census in 2000 was \$71,600 with a median contract rent at \$411.

Fair Housing Law, Municipal Policies and Complaint Analysis

The State of Texas and the City of Amarillo have fair housing ordinances that are comparable to the federal Fair Housing Act. The City of Amarillo oversees fair housing in Amarillo, referring individuals to HUD, the Texas Workforce Commission – Civil Rights Division or the local Municipal Court.

A review of Amarillo's zoning codes reveals that there are no causes for concern of possible impediments to the Fair Housing Act. In fact, in 2003, the City of Amarillo was recognized as a best practice in the HUD Regulatory Barriers Clearinghouse for their innovative strategies for encouraging fair and affordable housing within their municipal code.

The City of Amarillo funds several housing programs through their CDBG and HOME program allocations and with Section 8 vouchers. These programs work to expand homeownership opportunities for low and moderate-income homebuyers, provide rental assistance to low-income and disabled renters, and provide rehabilitation for single-family, owner-occupied housing.

According to the U.S. Housing and Urban Development Department, 11 fair housing complaints were filed from January 2000 through December 31, 2004. Of the 11 complaints, all were closed with a satisfactory resolution. Two (2) cases were closed with conciliation where probable cause was found prior to being conciliated. Five (5) cases were closed with a no cause determination. This means that justification for the complaint was not applicable to the Fair Housing Law. Two (2) cases were closed because the complainant withdrew the complaint after the resolution. One case was dismissed due to lack of jurisdiction.

Interviews and Focus Group Sessions

The focus groups voiced many concerns relating to fair housing choice that they perceived as impediments. Discussion in the fair housing focus group sessions spanned numerous issues, but the following themes were touched on repeatedly;

the availability of decent, safe, and affordable housing; limited incomes; poor credit; landlord / tenant disputes; negative perception; and education of fair housing rights.

HMDA and Fair Housing Index

The HMDA data analysis indicates that there are issues of concern in mortgage lending. Loan denials to minority populations tend to run at higher rates than to White applicants and there is some evidence to suggest that there are characteristics consistent with redlining occurring in the Amarillo MSA.

The fair housing index highlights geographic areas indicating a concentration of attributes prevalent in fair housing issues. These attributes include high minority concentrations, older housing stock, reliance on public transportation, low income, low housing values and contract rents, a high percentage of female headed households with children, a high ratio of loans denied to loans originated, high unemployment rates, and high rates of high school dropouts. The collective concentration of these issues leads to neighborhood deterioration and market conditions that tend to impede fair housing choice. Our analysis and confirmation received in the focus group sessions indicate that portions of northern-central Amarillo are most likely to have residents experiencing severe problems with housing choice.

Impediments to Fair Housing Choice

Several impediments were identified as barriers to fair housing. They include the lack of affordable housing, a large stock of substandard rental housing units in minority census tracts, the need for an increase in leveraging other resources for housing, lack of education of the fair housing law and rights granted under the law, credit issues that limit financing options, characteristics of redlining, an absence of an economic base in North Amarillo, lack of income, and historic self-segregation.

Remedial Activities to Address Impediments

The major focus of the recommended remedial actions is centered on the creation of a strategic housing plan to address issues such as land-use barriers, tax abatements, financial incentives, and a land trust. Other recommendations included; establishing a Rental Inspection Program to ensure that the rental housing stock is brought up to code and maintained at the minimum housing standards, establishing a fair housing website to track incidents of discrimination, hosting a roundtable discussion with lending institutions to share data from HMDA analysis, developing economic opportunities, and encouraging mixed-income neighborhoods.

Community Profiles

Overview

The following five sections provide a look at the current status of the community in Amarillo and identify major trends.

The community profile is a compilation of the following five sections:

1. *Demographic Profile*

The demographic profile looks at the basic structure of the community in terms of racial diversity, population growth, and family structure.

2. *Income Profile*

The income profile analyzes income sources, the distribution of income across income class, and poverty.

3. *Employment and Education Profile*

The employment profile examines unemployment rates, occupation trends, and major employers.

4. *Public Transportation Profile*

The public transportation profile looks at the extent to which the public transit system serves the needs of the community, from a fair housing standpoint.

5. *Housing Profile*

The housing profile examines data on the housing stock, with particular attention to the age of the housing stock, vacancy rates, tenure, and cost burdens.

Data were gathered from the 1990 and 2000 U.S. Census and several other sources. Detailed analyses will concentrate on the three major ethnic groups in Amarillo: White, African-American, and Hispanic. All other ethnic groups are relatively small in number and percentage and, therefore, will not be examined in detail.

Each section is supported with tables and maps provided as reference material. Most of the data presented in the tables and maps are directly mentioned in the text. There may be some cases where additional information was included for the reader's benefit, though not specifically noted in the text.

Description of Amarillo

The City of Amarillo is the county seat of Potter County, located in Potter and Randall County and is approximately 120 miles north of Lubbock, Texas. The City is supported by two interstate highways, I-40 and I-27, and a major railroad, Burlington Northern Santa Fe Railway. Amarillo is considered the regional service center for the Texas Panhandle as well as eastern New Mexico and the Oklahoma Panhandle.

There are five independent school districts in Amarillo. The City benefits from several higher educational facilities in the area; West Texas A & M University, Amarillo College, Texas Tech University, Texas A & M Research and Extension Center, and Wayland Baptist University.

Because Amarillo is the largest urban area in the Panhandle, it is the center of services for portions of four states. Therefore, Amarillo has public service features that serve the regional population including: the Amarillo International Airport serving the panhandle with 34 daily flights, a central public library located downtown with four branches throughout the city, a central fire station with nine fire substations, three acute care hospitals, long-term health care facility and various specialty medical clinics, 51 existing parks and recreational areas, and numerous other services and facilities.

1.1 Demographic Profile

The demographic analysis of the City of Amarillo concentrates on the magnitude and composition of the population and changes that occurred over the past decade. Please note that the attached tables and maps present data for the entire city by census tract. For reference, Map 1 on the following page, provides a visual representation of the boundaries of Amarillo surrounded by the adjacent parts of Potter and Randall County.

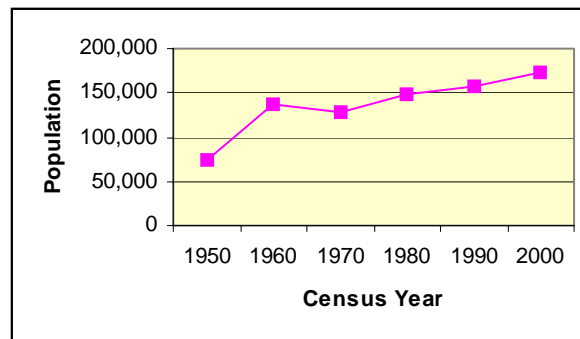
Table 1.1.1 and Chart 1.1.1, below, show that the population of Amarillo grew 10.16 percent between 1990 and 2000 to 173,627 people in 2000. This compares to a 5.62 percent increase in the 1980s, a 17.49 percent increase in the 1970s, a 7.94 percent decrease in the 1960s due to the closing of the Air Force Base, and an increase of 85.83 percent in the 1950s.

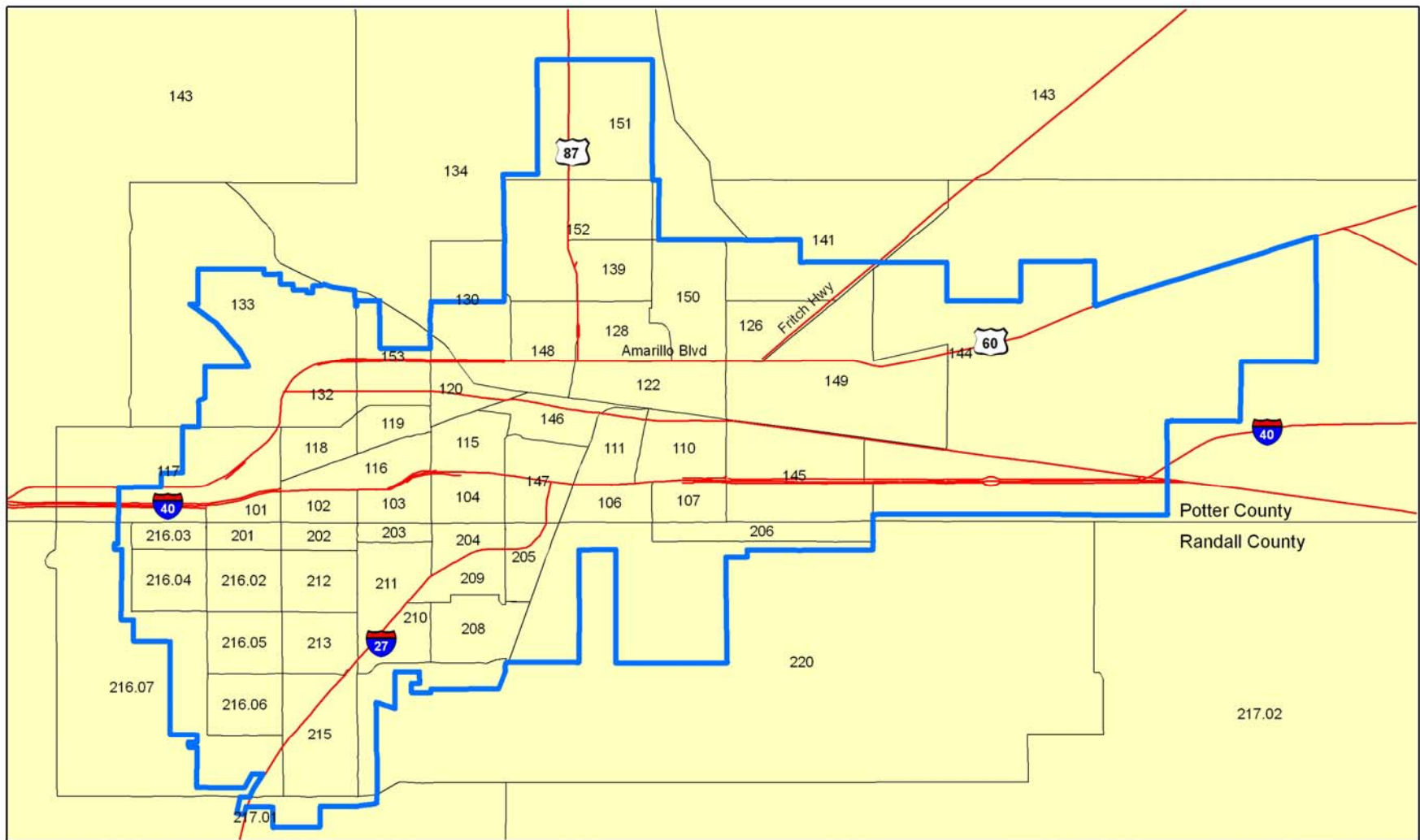
Table 1.1.1
Population Growth of Amarillo (1950-2000)

| Census | Population | Change | %Change |
|--------|------------|---------|---------|
| 1950 | 74,246 | | |
| 1960 | 137,969 | 63,723 | 85.83% |
| 1970 | 127,010 | -10,959 | -7.94% |
| 1980 | 149,230 | 22,220 | 17.49% |
| 1990 | 157,615 | 8,385 | 5.62% |
| 2000 | 173,627 | 16,012 | 10.16% |

Source: <http://www.census.gov/prod/cen1990/cph2/cph-2-1-1.pdf>

Chart 1.1.1: Population Growth of Amarillo (1950-2000)





- Amarillo City Limits
- Census Tracts 2000

MAP 1: Amarillo, Texas

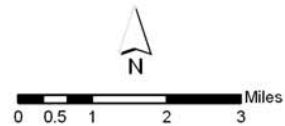


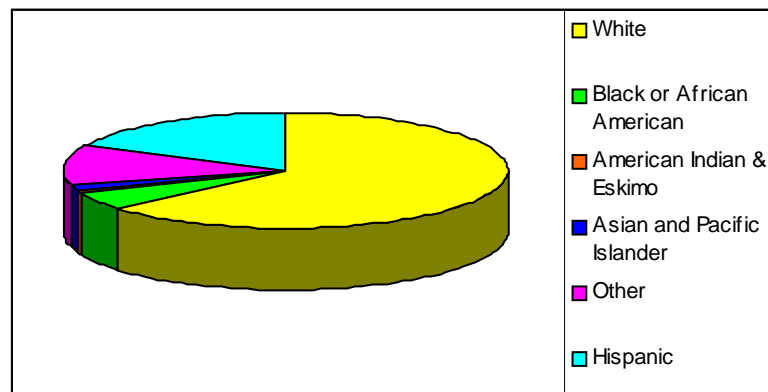
Table 1.1.2 and Chart 1.1.2 below, show that Amarillo experienced a 63.35 percent increase in the Hispanic population, a 9.71 percent increase in the African-American population, and a 3.23 percent increase in the White population. The percent change in the Hispanic and African-American population from 1990 to 2000 is shown in the Map 1.1.1 and Map 1.1.2 on the following pages. Following them are a series of

Table 1.1.2
Total population by race for Amarillo, 1990-2000.

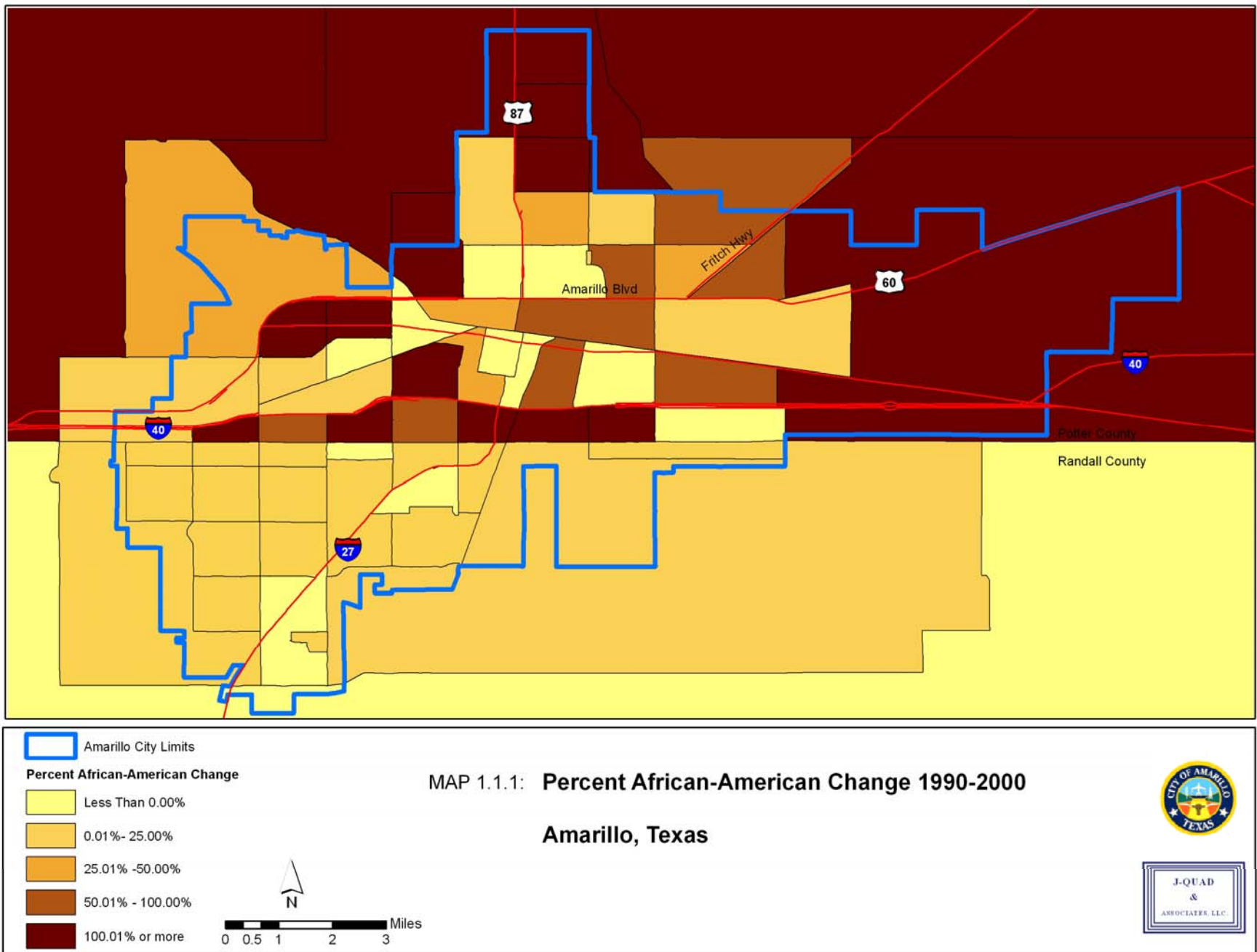
| Race | 1990 | 2000 | % Change 1990-2000 | % Total Population | |
|----------------------------|---------|---------|-----------------------|--------------------|--------|
| | | | | 1990 | 2000 |
| White | 130,358 | 134,563 | 3.23% | 82.71% | 77.50% |
| Black or African American | 9,441 | 10,358 | 9.71% | 5.99% | 5.97% |
| American Indian & Eskimo | 1187 | 1346 | 13.40% | 0.75% | 0.78% |
| Asian and Pacific Islander | 2,960 | 3,627 | 22.53% | 1.88% | 2.09% |
| Other | 13669 | 23,733 | 73.63% | 8.67% | 13.67% |
| Total: | 157,615 | 173,627 | 10.16% | | |
| Hispanic | 23,231 | 37,947 | 63.35% | 14.74% | 21.86% |

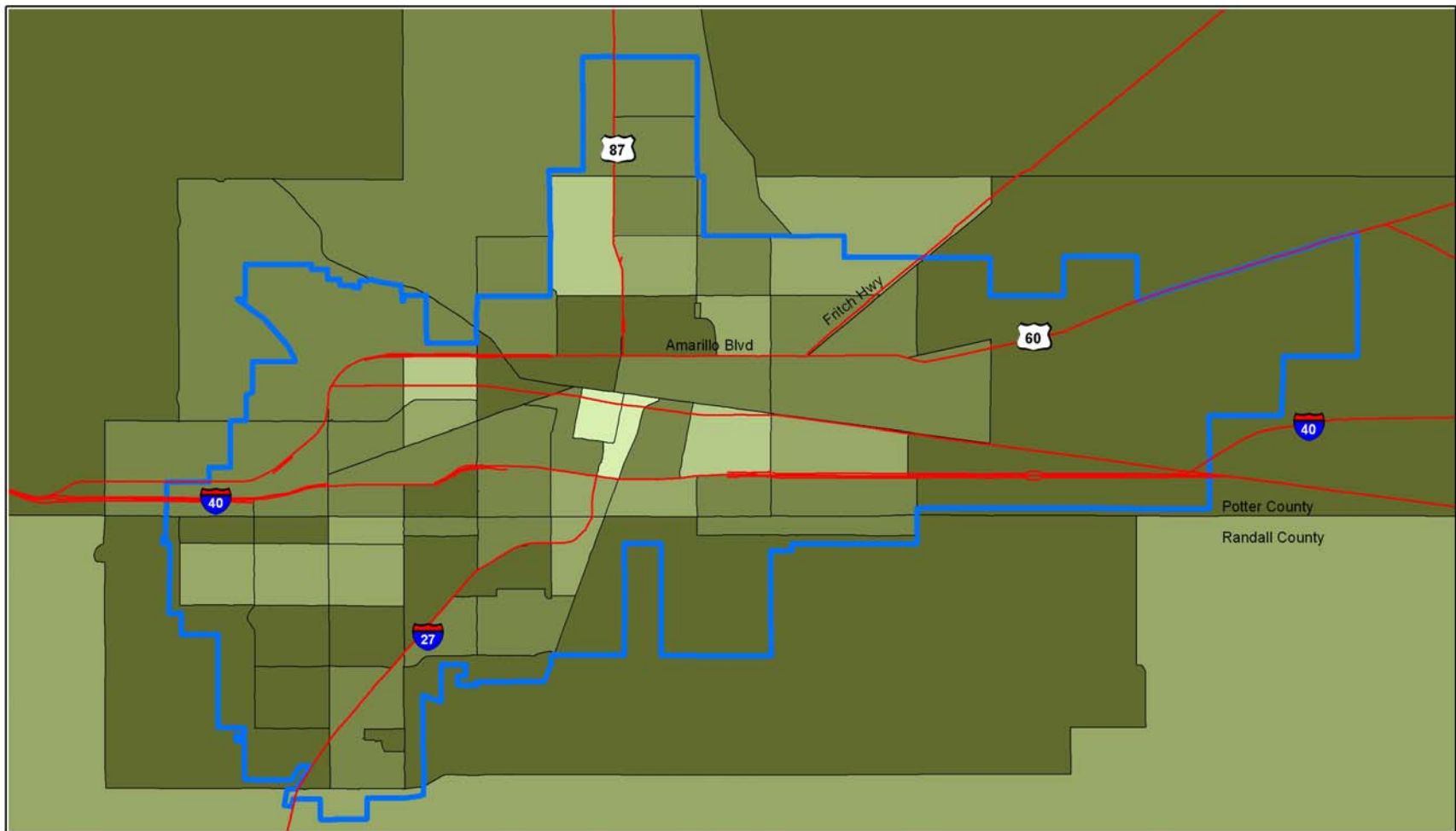
Source: 2000 US Census

Chart 1.1.2: Composition of population by race for Amarillo, 2000.




maps (Maps 1.1.3 through 1.1.6) that indicate spatial concentrations of the various racial and ethnic groups within Amarillo. This includes the location of Asian and American Indian/Eskimo. These groups were not included in the discussion above due to their low percentage in the total population.






 Amarillo City Limits

Percent Hispanic Change

 Less Than 0.01%

 0.01% - 25.00%

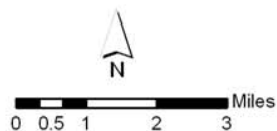
 25.01% - 50.00%

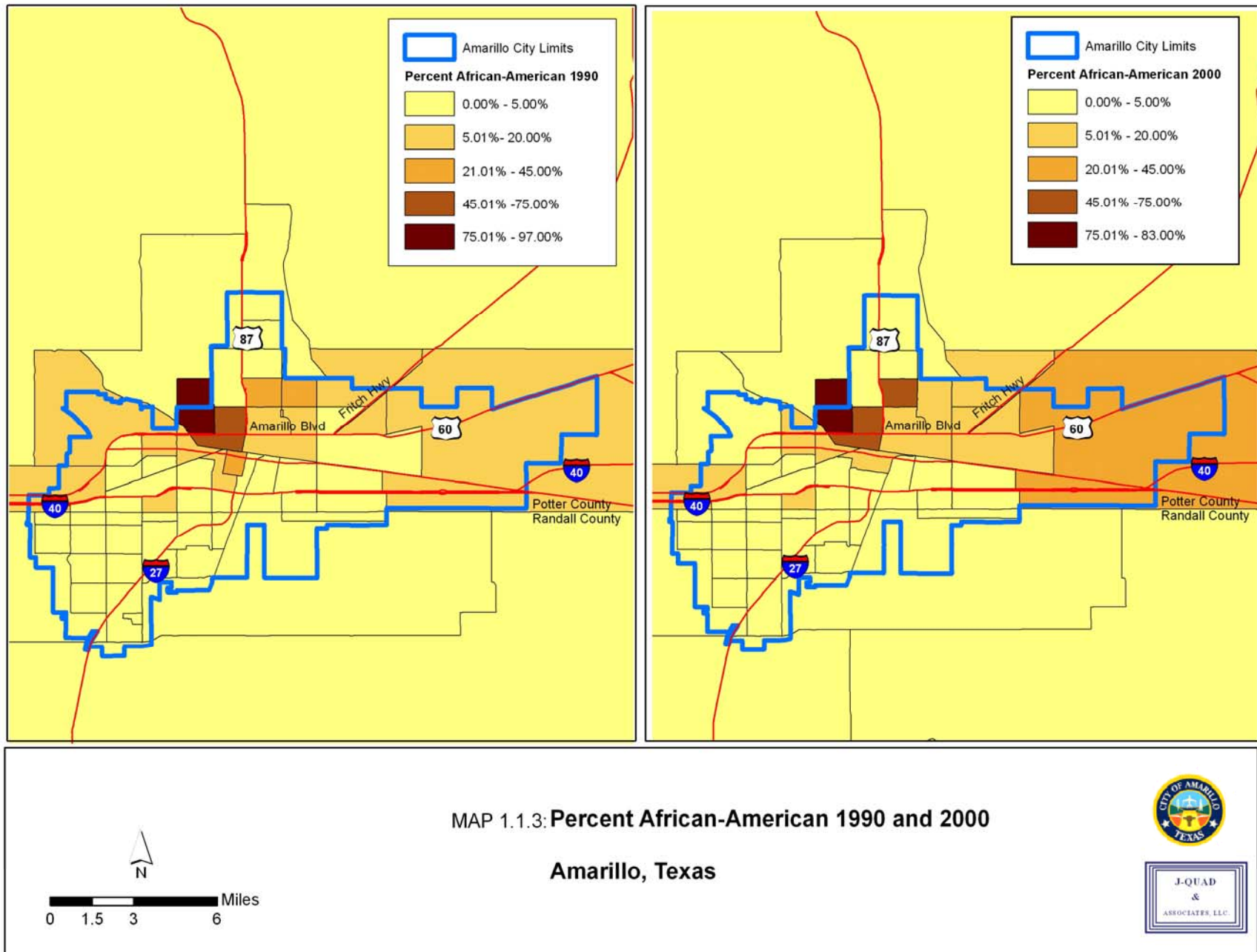
 50.01% - 100.00%

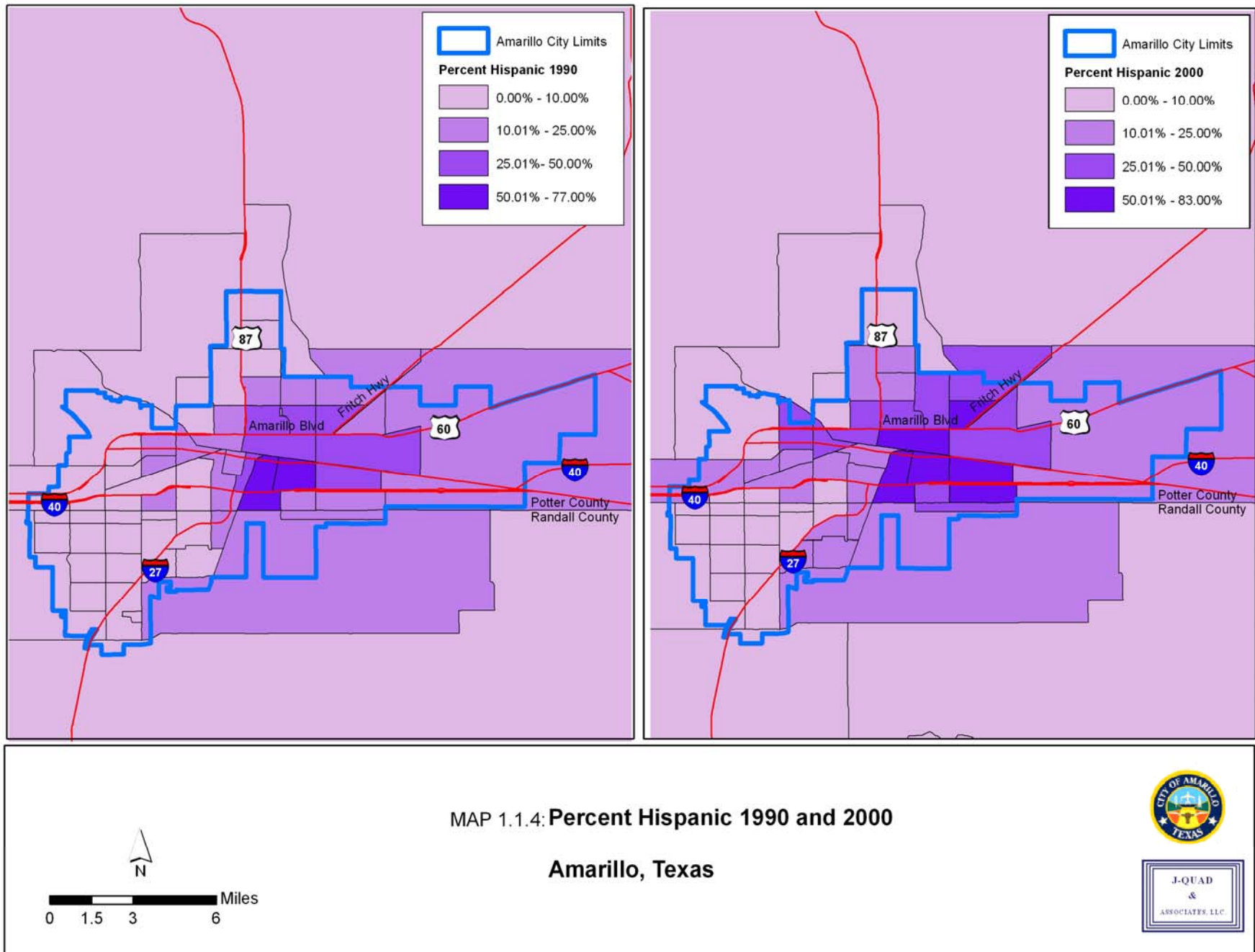
 100.01% or more

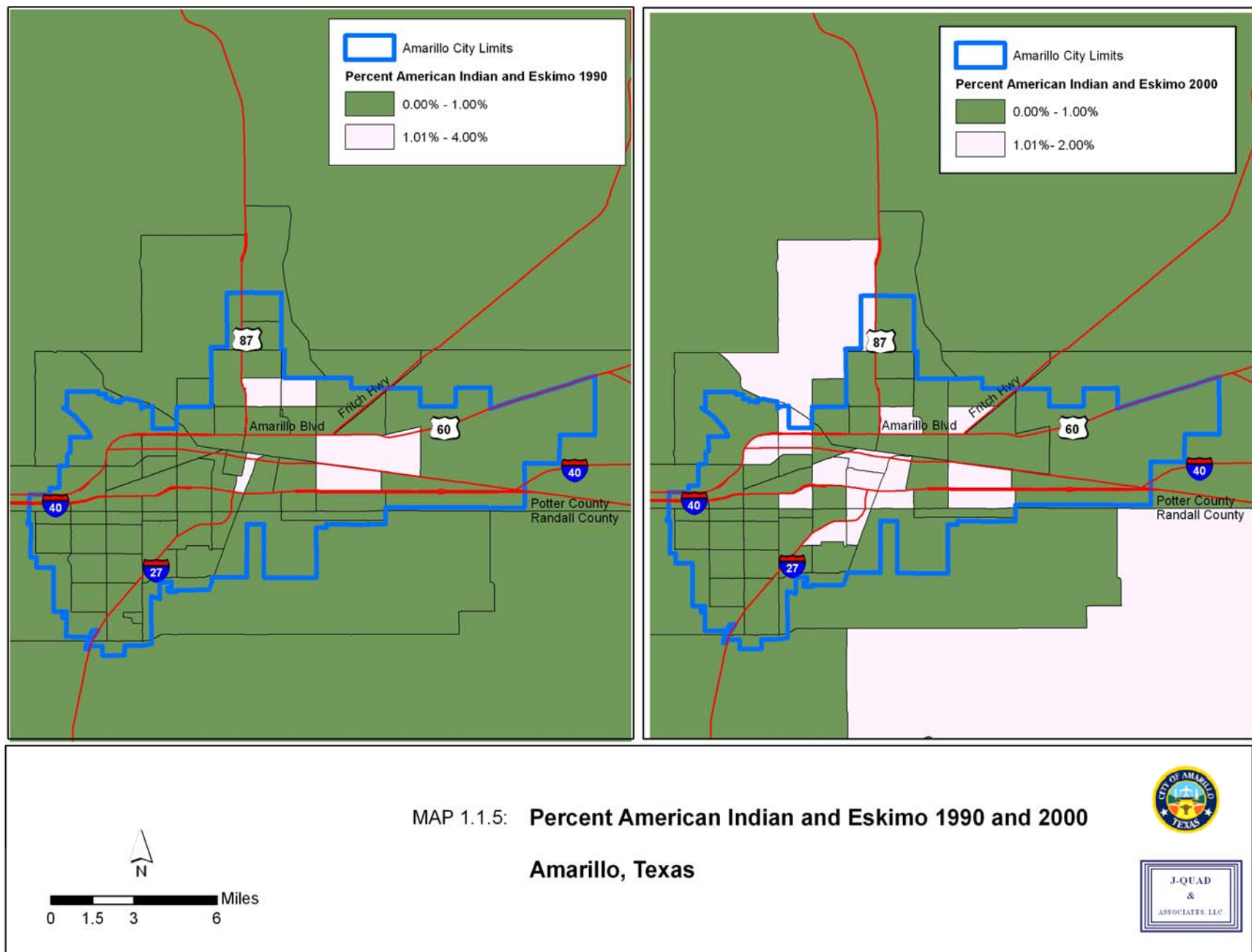
MAP 1.1.2: Percent Hispanic Change 1990-2000

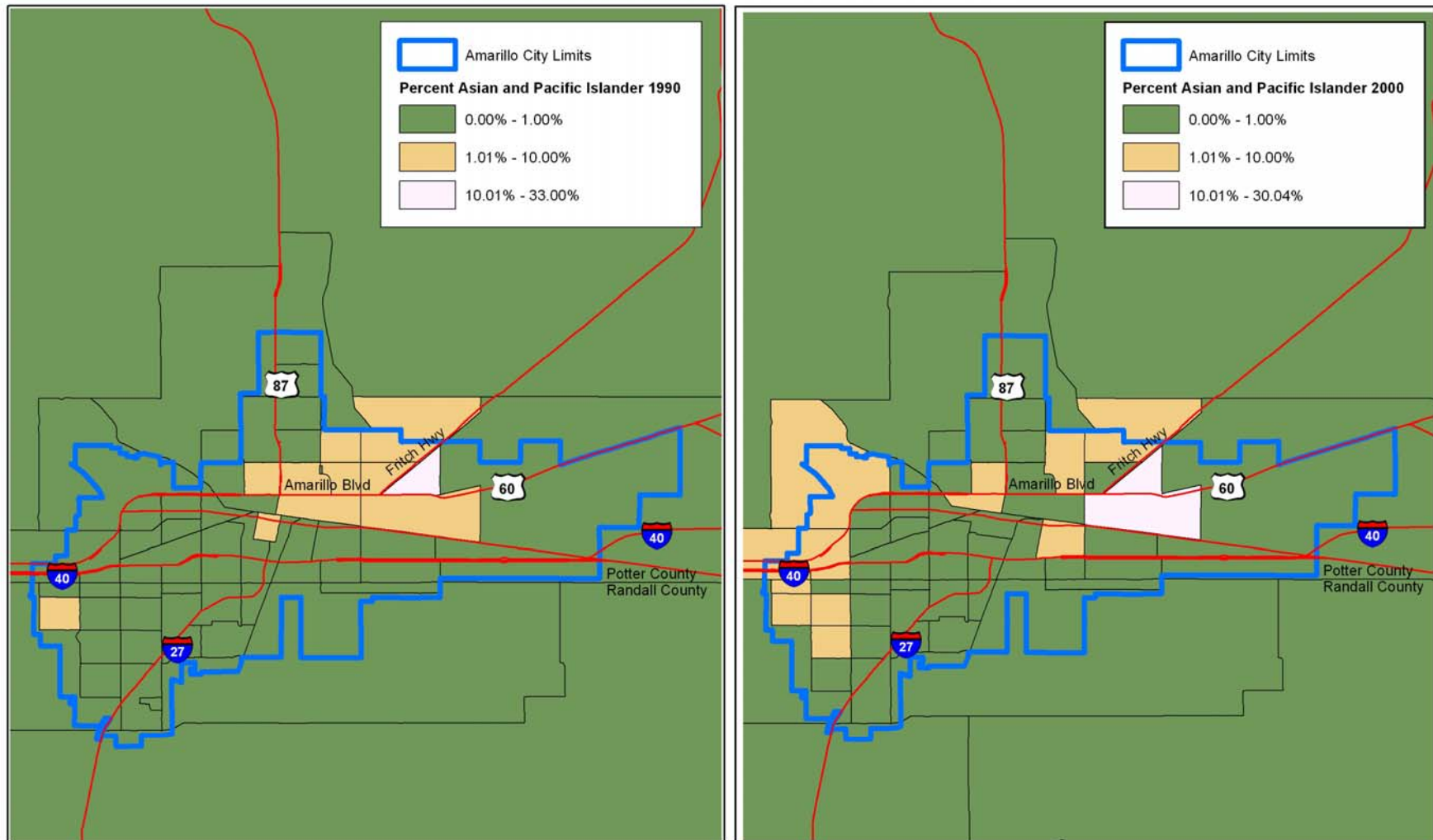
Amarillo, Texas





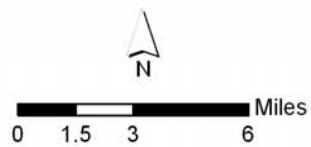






MAP 1.1.6: Percent Asian and Pacific Islander 1990 and 2000

Amarillo, Texas



It is a common misidentification for ethnic Hispanics to choose the 'other' category on the Census for race rather than White or African-American. The Census Bureau does not recognize Hispanic as a race, but rather as an ethnicity.

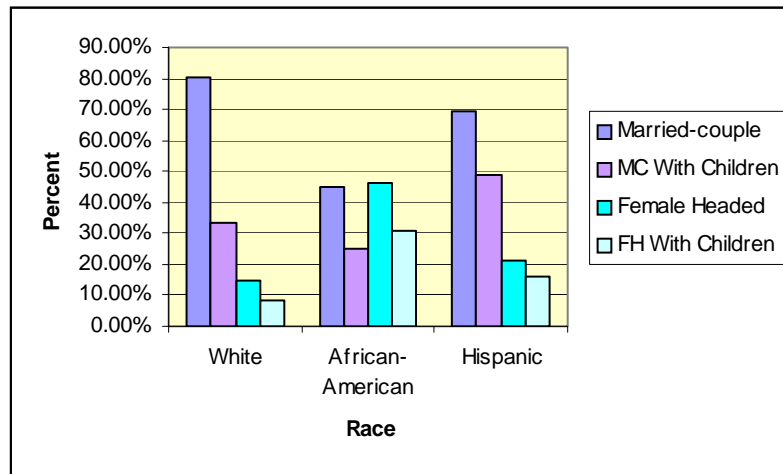
In many communities, female-headed families and female-headed families with children face a high rate of housing discrimination. The large percentage of female-headed families where children under the age of 18 are present opens numerous opportunities for rental property owners to refuse tenants because of children. From Table 1.1.3, below, and Chart 1.1.3, on the following page, an examination of the structure of families in Amarillo reveals that the percentage of female-headed families with children increased between 1990 and 2000 among African-American and Hispanic households. For White families, the data show a slight decrease from 8.6 percent to 8.56 percent.

Table 1.1.3
Family structures by race for Amarillo, 1990-2000.

| White | 1990 | Percent | 2000 | Percent |
|-------------------------|---------------|----------------|---------------|----------------|
| Married-couple | 29,572 | 81.63% | 26,757 | 80.60% |
| With Children | 13,635 | 37.64% | 11,153 | 33.59% |
| Female Headed | 5,269 | 14.54% | 4,943 | 14.89% |
| With Children | 3,117 | 8.60% | 2,842 | 8.56% |
| Total Families | 36,229 | | 33,199 | |
| | | | | |
| African-American | 1990 | Percent | 2000 | Percent |
| Married-couple | 1,104 | 50.78% | 1,070 | 45.20% |
| With Children | 581 | 26.72% | 599 | 25.31% |
| Female Headed | 931 | 42.82% | 1,089 | 46.01% |
| With Children | 628 | 28.89% | 729 | 30.80% |
| Total Families | 2,174 | | 2,367 | |
| | | | | |
| Hispanic | 1990 | Percent | 2000 | Percent |
| Married-couple | 3,914 | 75.11% | 6,071 | 69.13% |
| With Children | 2,975 | 57.09% | 4,296 | 48.92% |
| Female Headed | 940 | 18.04% | 1,871 | 21.30% |
| With Children | 705 | 13.53% | 1,434 | 16.33% |
| Total Families | 5,211 | | 8,782 | |

Source: 2000 US Census

Chart 1.1.3: Family structure by race for Amarillo, 2000

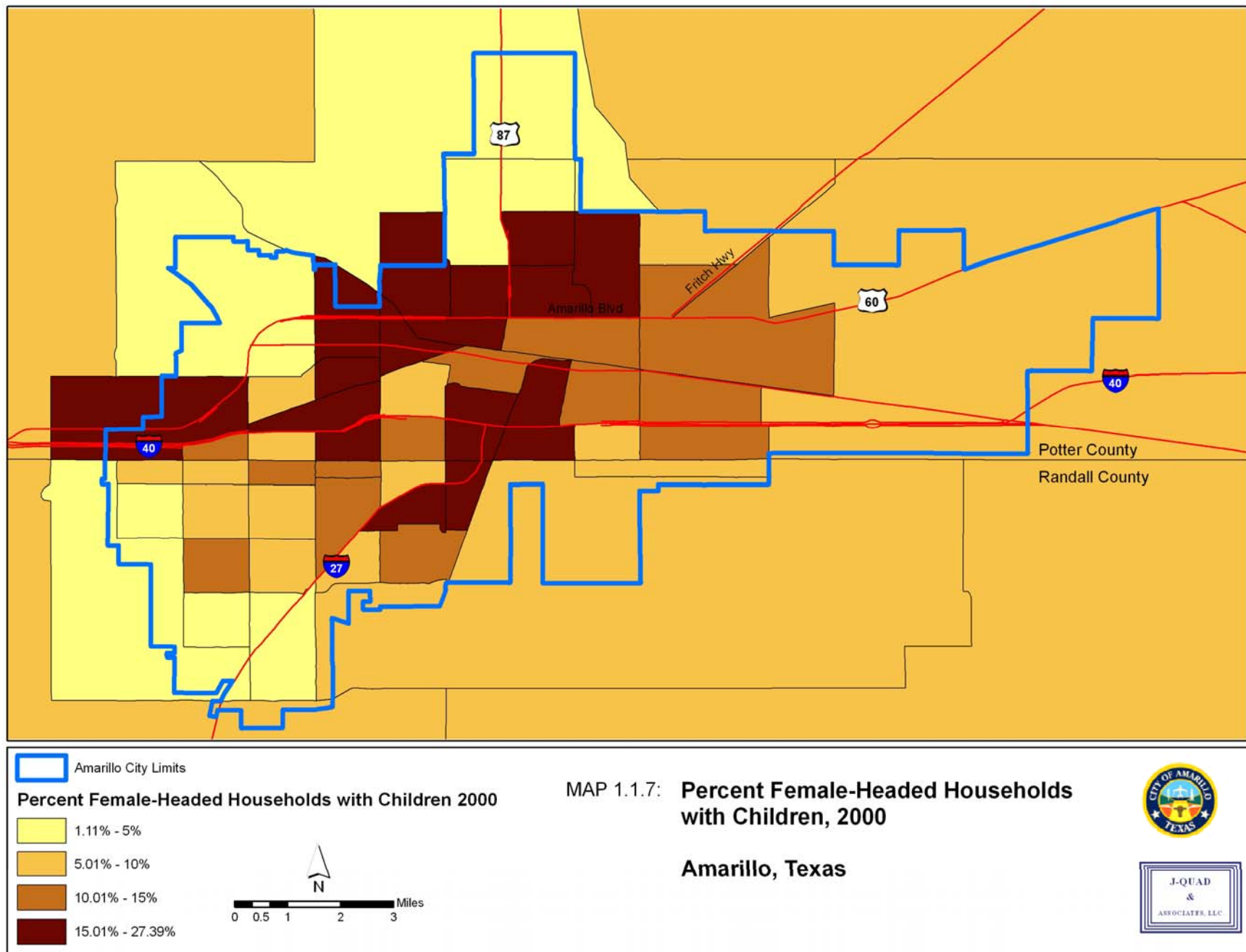


Source: 2000 US Census

For Hispanic families, the increase was from 13.53 percent to 16.33 percent. For African-American families, the increase was from 28.89 percent to 30.80 percent. The percentage of female-headed families in the African-American population is 30.80 percent compared to 8.56 percent of White families and 16.33 percent of Hispanic families. The higher percentage presents a cause for concern with respect to fair housing choice.

The spatial distribution of female-headed households with children is shown in Map 1.1.7 on page 14. When considering all family types with children present, the data show that 29.2 percent of all White households have children under the age of 18 present. This compares to 41.45 percent of all African-American households and 58.24 percent of Hispanic households. But the percentage of families with children declined from 1990 to 2000 at a rate of 3.72 percentage points in White families and 4.02 percentage points in Hispanic families, while slightly increasing 0.37 percentage points for African-American families.

Non-family households consist of single person households and unrelated individuals sharing a housing unit. White non-family households make-up 34.97 percent of all White households in Amarillo. African-American non-family households account for 31.83 percent of all African-American households and Hispanic non-family households represent 18.17 percent of all Hispanic households.



1.2. Income Profile

Low-Income households tend to be housed in housing stock that is of poor condition located in economically distressed areas of town. Lack of income often prevents these households from moving to areas where local amenities inflate the value of the housing. Income plays a very important part in securing and maintaining housing. Personal earnings by industry and the distribution of the income groups over the geographic location can be instructive in identifying potential fair housing impediments.

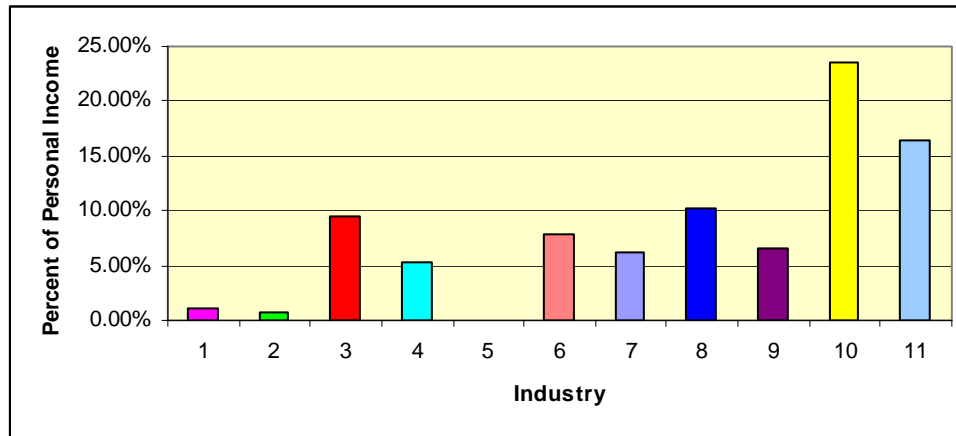
Table 1.2.1, below, and Chart 1.2.1, on the following page, showing the contributions of various industries to personal income over time, indicate a small change in the income distribution among industries. In Amarillo, the services industry contributed 22.7 percent of earnings in 1990. This accounts for the largest single sector earnings reported in that year.

Table 1.2.1
Personal earnings by industry for Amarillo,
1990-2000, in thousands of dollars

| Industry | 1990 | Percent | 2000 | Percent | Percent Point Change |
|--|------------------|----------------|------------------|----------------|----------------------|
| Farm | 62,100 | 2.50% | 45,200 | 1.06% | -1.44% |
| Agricultural services, Forestry | 15,444 | 0.62% | 31,511 E | 0.74% | 0.12% |
| Mining | 169,211 | 6.80% | 406,322 E | 9.52% | 2.72% |
| Construction | 131,569 | 5.29% | 226,646 | 5.31% | 0.02% |
| Manufacturing | 330,572 E | 13.29% | D | | |
| Transportation and public utilities | 239,114 | 9.62% | 337,058 | 7.90% | -1.71% |
| Wholesale trade | 159,583 E | 6.42% | 264,551 E | 6.20% | -0.22% |
| Retail trade | 274,837 | 11.05% | 433,522 | 10.16% | -0.89% |
| Fire, Insurance, and Real Estate | 107,682 E | 4.33% | 283,937 E | 6.66% | 2.33% |
| Services | 564,455 | 22.70% | 1,003,240 | 23.52% | 0.82% |
| Government | 431,406 E | 17.35% | 698,363 | 16.37% | -0.98% |
| Total Earnings by Place of Work | 2,486,834 | 100.00% | 4,266,360 | 100.00% | |
| *E - The estimate shown here constitutes the major portion of the true estimate. | | | | | |
| *D- Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals. | | | | | |

Source: Bureau of Economic Analysis

Chart 1.2.1: Personal earnings by industry for Amarillo 2000



| | | | | | | | |
|---|---------------------------------|---|-------------------------------------|---|-------------------------------------|----|------------|
| 1 | Farm | 4 | Construction | 7 | Wholesale trade | 10 | Services |
| 2 | Agricultural services, Forestry | 5 | Manufacturing- Undisclosed | 8 | Retail trade | 11 | Government |
| 3 | Mining | 6 | Transportation and public utilities | 9 | Finance, insurance, and real estate | | |

The government sector was the second largest contributor to personal earnings in 1990, contributing 17.35 percent. By 2000, earnings from Services (which include hotels, personal services, private households, business services, auto repair, amusement and recreation, motion pictures, health services, legal services, educational services, social services, museums, and membership organizations), increased to 23.52 percent. This represents a 0.82 percentage point increase for the Service sector. The government sector decreased by 0.98 percentage points to 16.37 percent in 2000.

The largest percentage point increase, 2.72 percent, in personal earnings from 1990 to 2000 occurred in the Mining industry (which comprises establishments that extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas) and the largest percentage point decrease (-1.71%) occurred in the Transportation and Public Utilities industry. All other industries reflected relatively little change with the notable exception of the Finance, Insurance and Real Estate sectors. The Finance,

Insurance and Real Estate sectors increased by 2.33 percentage points to 6.66 percent in 2000.

The data in Table 1.2.2, below, and Chart 1.2.2, on the following page, show the distribution of income across income classes and reveal the disparity in incomes between Whites and minorities in Amarillo. Overall, the income distribution data show a higher incidence of low-income households within the African-American and Hispanic communities. In general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons. The neighborhoods within which affordable housing is available is much more limited to low-income households than to higher income households.

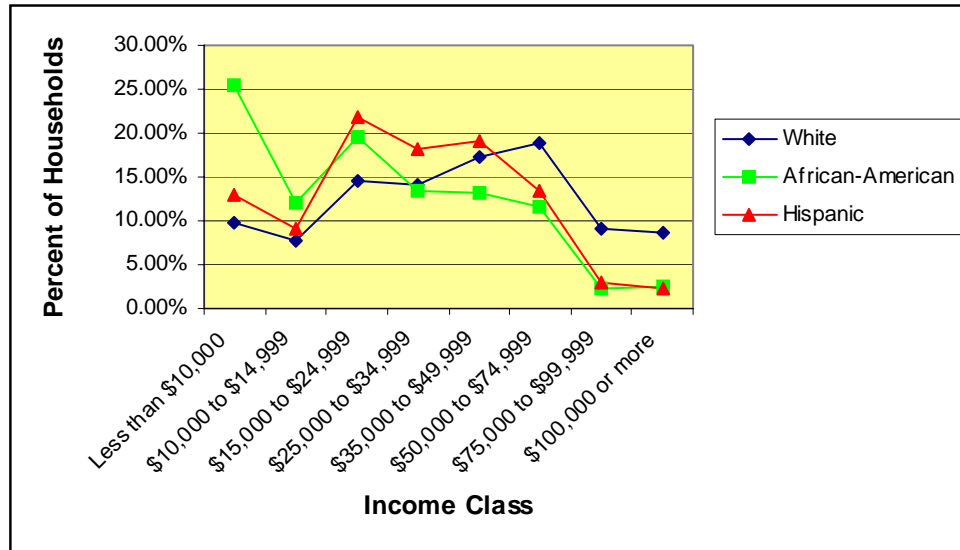
Chart 1.2.2 also shows that the income class with the highest number of households modal income class for Whites is the \$50,000 to \$74,999 range. Just fewer than 19 percent of all White households fall into this income class, while 11.69 percent of all African-American households and 13.41 percent of Hispanic households report earnings in this range. The most frequently reported income for Hispanics is the \$15,000 to \$24,999 range, with 21.79 percent of Hispanic households and the most frequently reported income for African-Americans is the Less than \$10,000 range with 25.46 percent of African-Americans reporting in this range.

Table 1.2.2
Households by race by income class for Amarillo, 2000

| Income class | White | | African-American | | Hispanic | |
|----------------------|--------|---------|------------------|---------|----------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Less than \$10,000 | 5,045 | 9.88% | 884 | 25.46% | 1,384 | 12.90% |
| \$10,000 to \$14,999 | 3,936 | 7.71% | 417 | 12.01% | 985 | 9.18% |
| \$15,000 to \$24,999 | 7,412 | 14.52% | 680 | 19.59% | 2,338 | 21.79% |
| \$25,000 to \$34,999 | 7,157 | 14.02% | 467 | 13.45% | 1,956 | 18.23% |
| \$35,000 to \$49,999 | 8,841 | 17.32% | 455 | 13.10% | 2048 | 19.08% |
| \$50,000 to \$74,999 | 9,632 | 18.87% | 406 | 11.69% | 1439 | 13.41% |
| \$75,000 to \$99,999 | 4,642 | 9.09% | 79 | 2.28% | 329 | 3.07% |
| \$100,000 or more | 4,390 | 8.60% | 84 | 2.42% | 253 | 2.36% |
| Total: | 51,055 | 100.00% | 3,472 | 100.00% | 10,732 | 100.00% |

Source: 2000 US Census

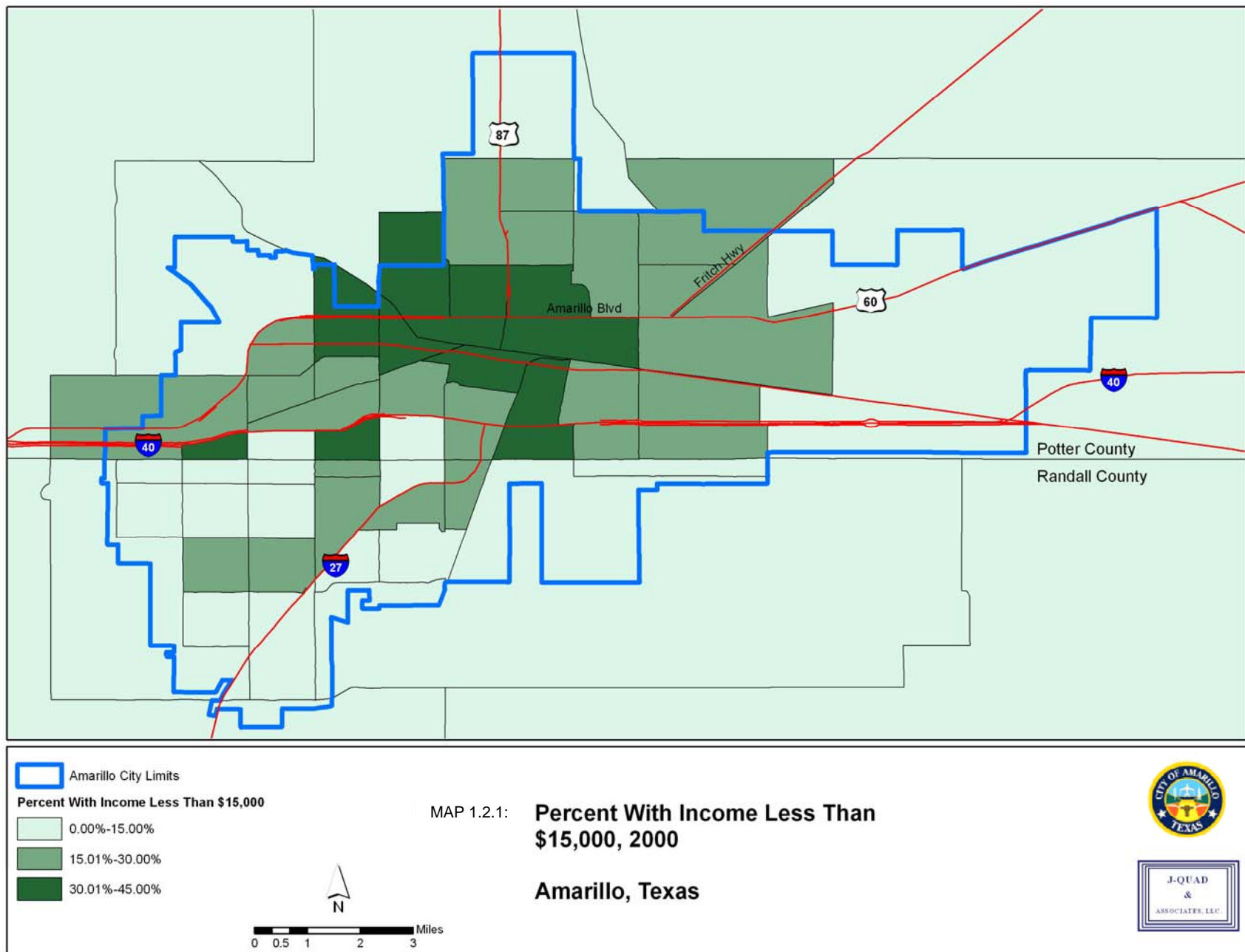
Chart 1.2.2: Households by race by income class for Amarillo, 2000

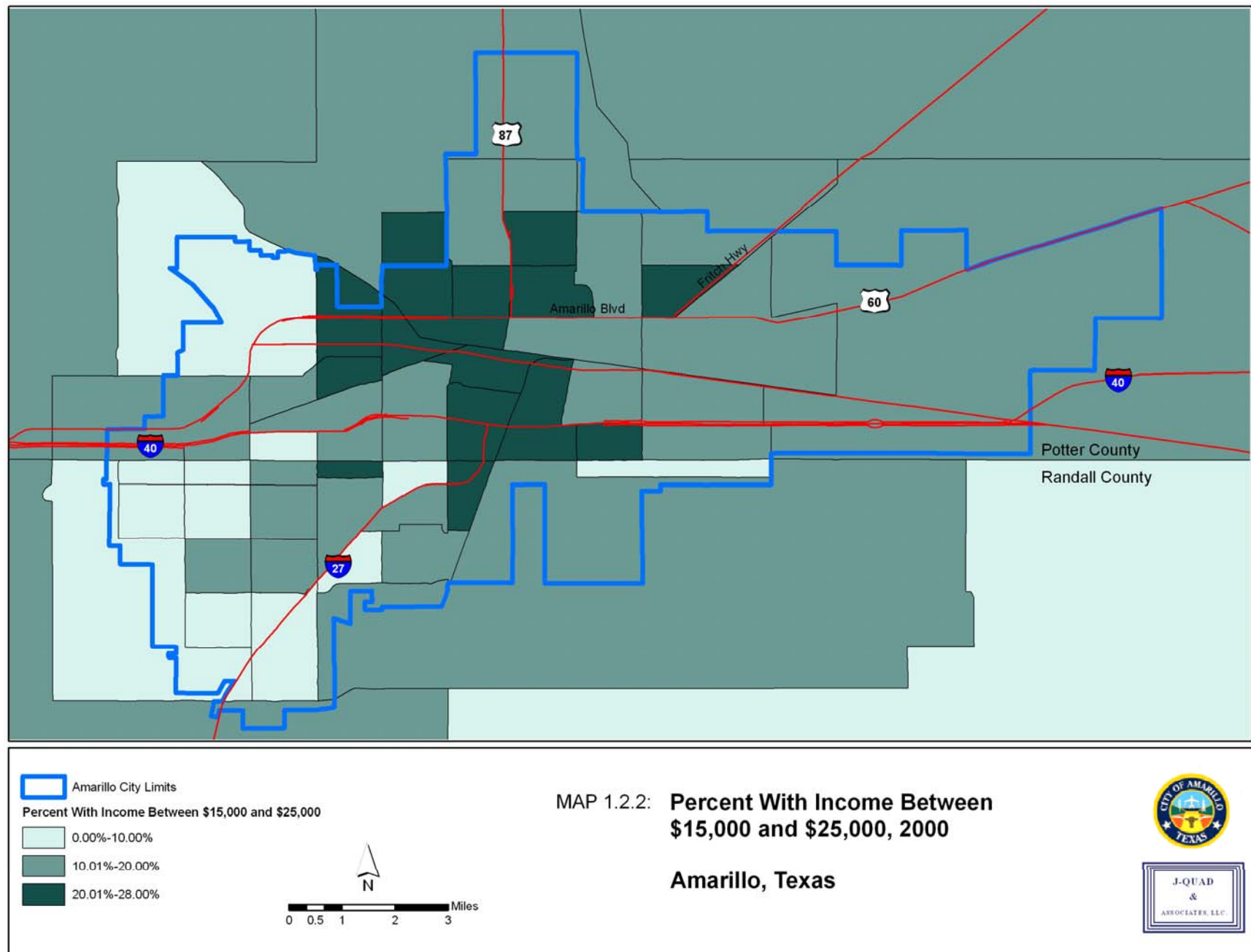


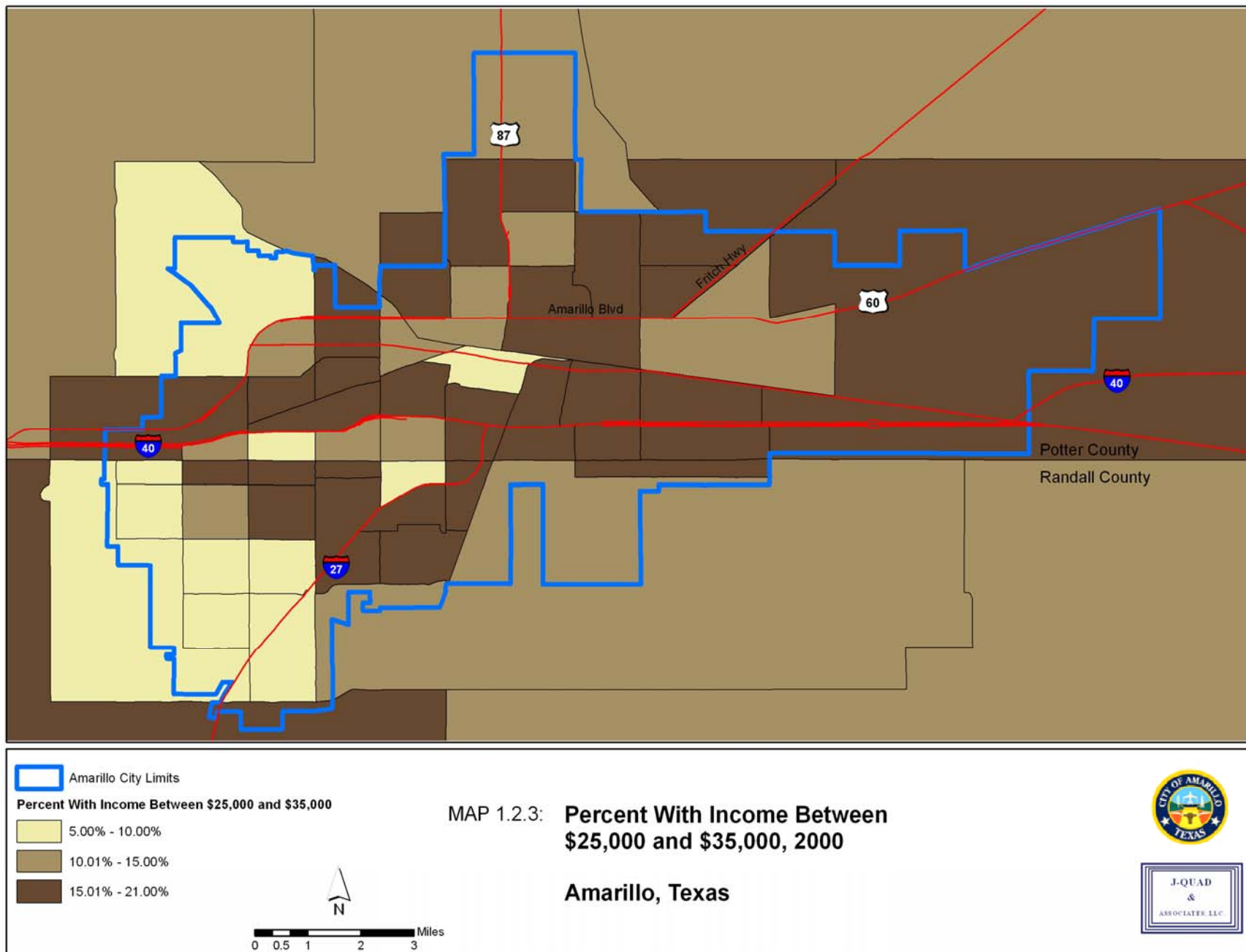
Source: 2000 US Census

Nearly 37.5 percent of African-American households had 2000 incomes below \$15,000. This compares to 17.59 percent of White households and 22.08 percent Hispanic households. Just over 36.5 percent of White households reported incomes above \$50,000 in 2000. African-American households in the same income groups represented 16.39 percent of all African-American households and Hispanics represented 18.84 percent of Hispanics households. Just over 8.5 percent of White households had incomes above \$100,000, while only 2.42 percent of African-American households and 2.36 percent of Hispanic households were reported in this group.

The geographic distribution of income is represented in Maps 1.2.1, 1.2.2, and 1.2.3 on the following pages. The first map shows the distribution of incomes below \$15,000. The second shows incomes from \$15,000 to \$25,000. The third shows incomes from \$25,000 to \$35,000.







Similar to the income distribution data reported above, the poverty data on Table 1.2.3 and Chart 1.2.3, on the following page, show major effects on the African-American and Hispanic communities. The incidence of poverty among African-Americans in 2000 was reported to be 34.63 percent of the total population and 22.75 percent among Hispanics. Among White persons, the data reported 10.18 percent living in poverty. Of equal concern, among children below the age of five, 46.35 percent of all African-Americans and 29.15 percent of Hispanics are living in poverty, compared to 14.59 percent of all White children below the age of five. Living in poverty restricts the quality of life of these children due to the limited housing options available to their parents.

Typically, these families are housed either in units where rents are low enough for the family to be able to meet the monthly payment. Often these housing units are in the worst neighborhoods and, typically, in very poor physical condition.

Table 1.2.3
Poverty Status by race for Amarillo, 2000

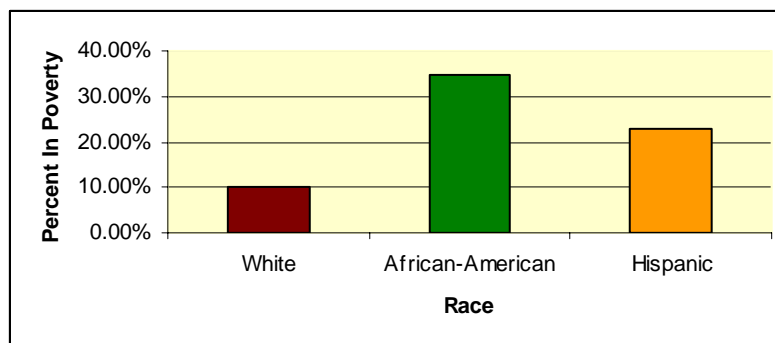
| White | In Poverty | Total Pop. | Percent |
|-------------------|-------------------|-------------------|----------------|
| Under 5 years | 1,052 | 7,065 | 14.89% |
| 5 years | 196 | 1,379 | 14.21% |
| 6 to 11 years | 1,154 | 8,697 | 13.27% |
| 12 to 17 years | 918 | 9,540 | 9.62% |
| 18 to 64 years | 7,179 | 72,156 | 9.95% |
| 65 to 74 years | 708 | 9,909 | 7.15% |
| 75 years and over | 691 | 8,131 | 8.50% |
| Total: | 11,898 | 116,877 | 10.18% |

| African-American | In Poverty | Total Pop. | Percent |
|-------------------------|-------------------|-------------------|----------------|
| Under 5 years | 463 | 999 | 46.35% |
| 5 years | 116 | 207 | 56.04% |
| 6 to 11 years | 660 | 1,337 | 49.36% |
| 12 to 17 years | 347 | 1,048 | 33.11% |
| 18 to 64 years | 1,576 | 5,280 | 29.85% |
| 65 to 74 years | 115 | 500 | 23.00% |
| 75 years and over | 74 | 305 | 24.26% |
| Total: | 3,351 | 9,676 | 34.63% |

| Hispanic | In Poverty | Total Pop. | Percent |
|-------------------|-------------------|-------------------|----------------|
| Under 5 years | 1,437 | 4,929 | 29.15% |
| 5 years | 348 | 1,023 | 34.02% |
| 6 to 11 years | 1,477 | 5,205 | 28.38% |
| 12 to 17 years | 931 | 4,173 | 22.31% |
| 18 to 64 years | 4,183 | 21,267 | 19.67% |
| 65 to 74 years | 141 | 786 | 17.94% |
| 75 years and over | 76 | 391 | 19.44% |
| Total: | 8,593 | 37,774 | 22.75% |

Source: 2000 US Census

Chart 1.2.3: Percent in Poverty by race for Amarillo, 2000



1.3. Employment and Education Profile

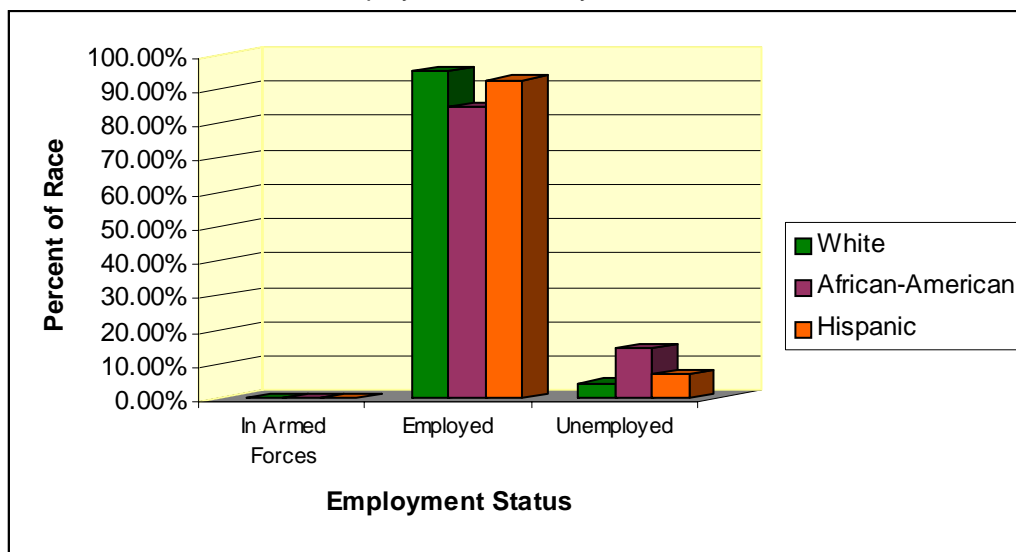
The data presented in Table 1.3.1, below, and Chart 1.3.1, on the following page, provide a portrait of the distribution of the unemployed. The 2004 unemployment rate for Amarillo, as measured by the Bureau of Labor Statistics, was 3.4 percent. A closer look at the make-up of this total, however, indicates that much of the unemployment is centered in the African-American and Hispanic communities. In the 2000 Census, 4.47 percent of White persons age 16 and over reported being unemployed. African-American persons in the same age group reported a 14.79 percent unemployment rate and Hispanics reported a 7.17 percent rate. Map 3.1 on page 26, shows the distribution of unemployed in Amarillo.

Table 1.3.1
Employment Status by race for Amarillo, 2000

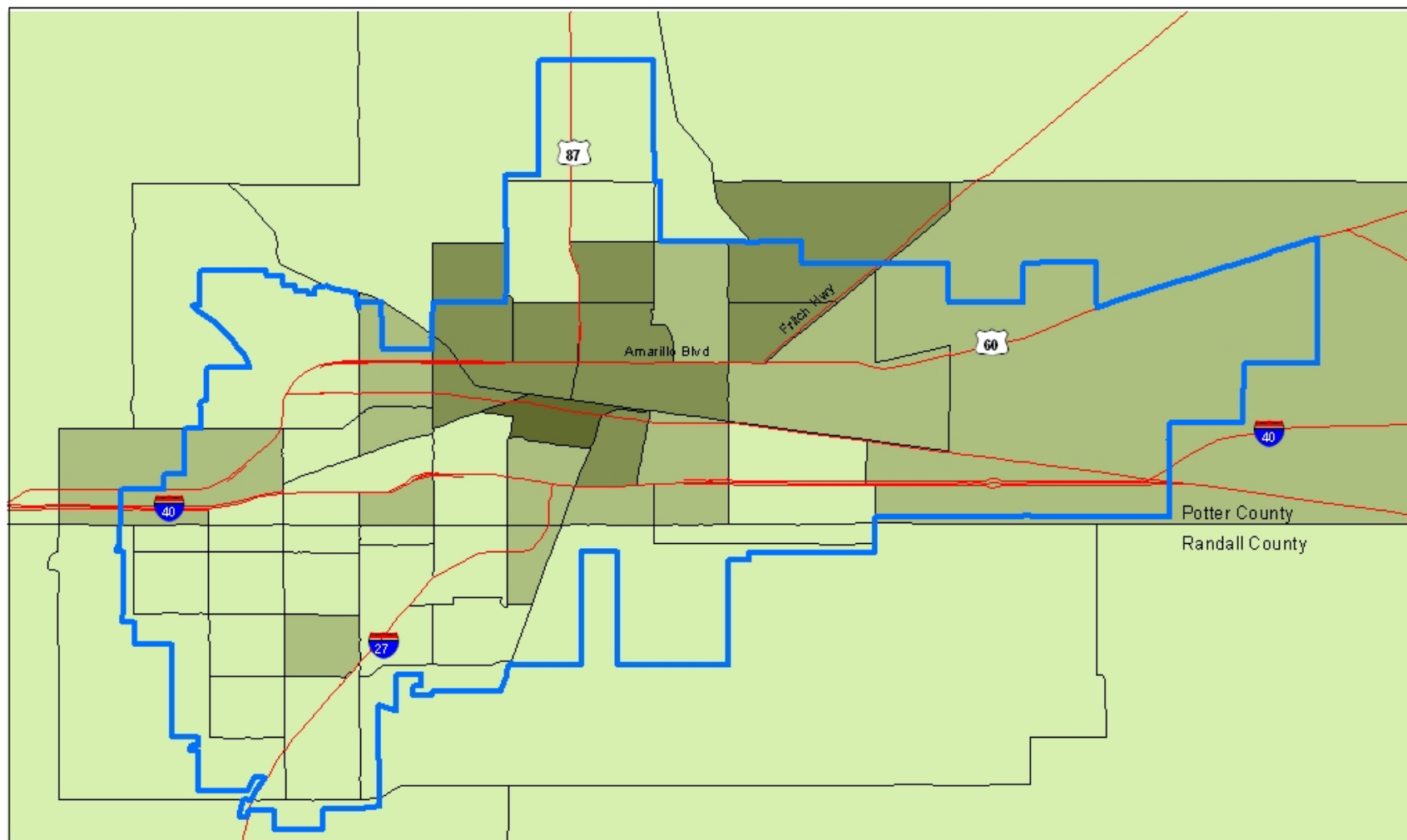
| Employment Status | White | | African-American | | Hispanic | | Total | |
|--------------------|--------|---------|------------------|---------|----------|---------|---------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| In labor force: | | | | | | | | |
| In Armed Forces | 51 | 0.08% | 8 | 0.19% | 20 | 0.13% | 92 | 0.11% |
| Civilian: | | | | | | | | |
| Employed | 59,752 | 95.45% | 3,559 | 85.02% | 14,788 | 92.70% | 81,080 | 94.37% |
| Unemployed | 2,796 | 4.47% | 619 | 14.79% | 1,144 | 7.17% | 4,745 | 5.52% |
| Total labor force | 62,599 | 100.00% | 4,186 | 100.00% | 15,952 | 100.00% | 85,917 | 100.00% |
| Not in labor force | 32,542 | | 2,295 | | 8,026 | | 44,675 | |
| Total | 95,141 | | 6,481 | | 23,978 | | 130,592 | |

Source: 2000 US Census

Chart 1.3.1: Employment Status by race for Amarillo, 2000

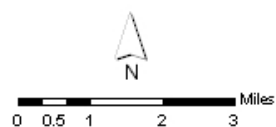
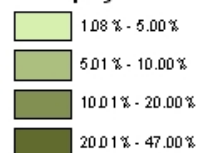


Source: 2000 US Census



 Amarillo City Limits

Unemployment Rate 2000



MAP 1.3.1: **Unemployment Rate, 2000**

Amarillo, Texas



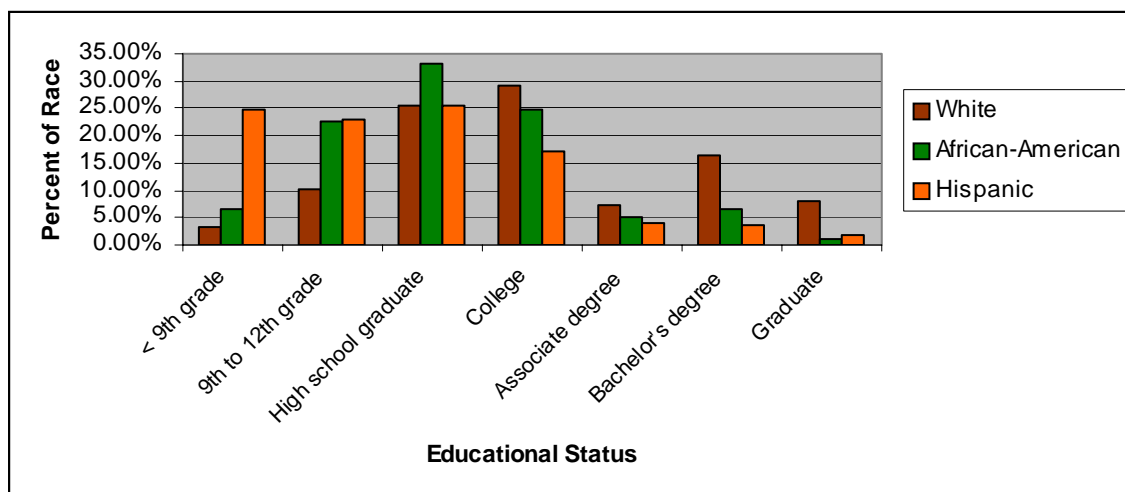
In Amarillo, the difference in the unemployment rate between the three groups can, to some extent, be indicative of limitations due to educational attainment, particularly for the Hispanic population. According to the 2000 Census, as shown in Table 1.3.2 and Chart 1.3.2, on page 27, 47.84 percent of Hispanics age 25 and above report less than a high school education compared to 13.57 percent of Whites and 29.19 percent for African-Americans in the same age group. This large number of poorly educated individuals creates a pool of workers who bring no special knowledge or skills to the workplace. The majority of these workers end up in low-paying, low-skill positions in the service and manufacturing industries. Map 1.3.2, on the following page, provides a look at the geographic distribution of persons with less than a high school degree.

Table 1.3.2
Educational attainment by race, Amarillo, 2000.

| Educational Attainment | White | | African American | | Hispanic | |
|------------------------|--------|---------|------------------|---------|----------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| < 9th grade | 2,633 | 3.26% | 343 | 6.64% | 4,409 | 24.91% |
| 9th to 12th grade | 8,338 | 10.31% | 1,165 | 22.55% | 4,058 | 22.93% |
| High school graduate | 20,493 | 25.35% | 1,711 | 33.11% | 4,546 | 25.68% |
| College | 23,647 | 29.25% | 1,287 | 24.91% | 3,020 | 17.06% |
| Associate degree | 5,851 | 7.24% | 259 | 5.01% | 707 | 3.99% |
| Bachelor's degree | 13,295 | 16.45% | 341 | 6.60% | 651 | 3.68% |
| Graduate | 6,584 | 8.14% | 61 | 1.18% | 309 | 1.75% |
| Total | 80,841 | 100.00% | 5,167 | 100.00% | 17,700 | 100.00% |

Source: 2000 US Census

Chart 1.3.2: Educational attainment by race, Amarillo, 2000.



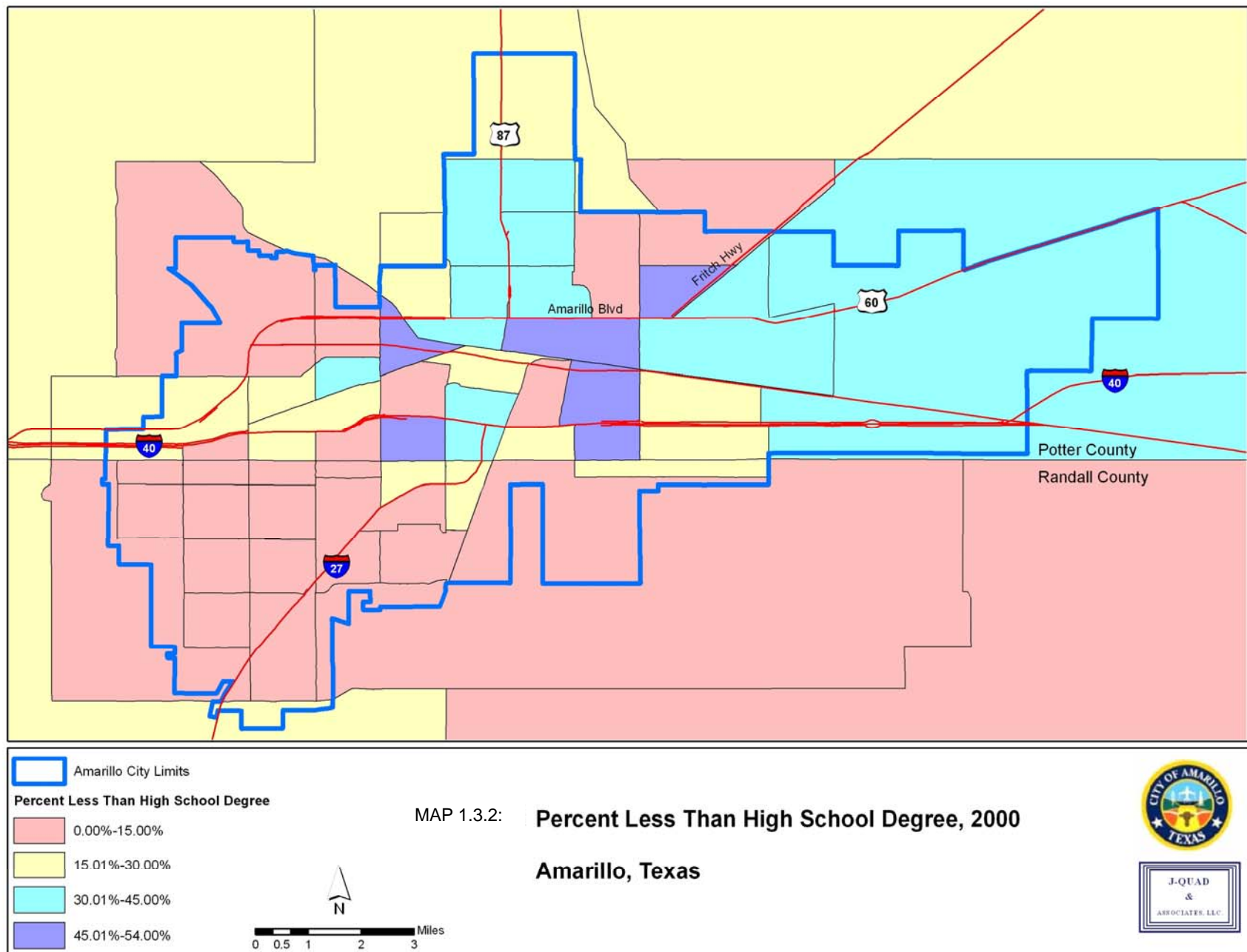


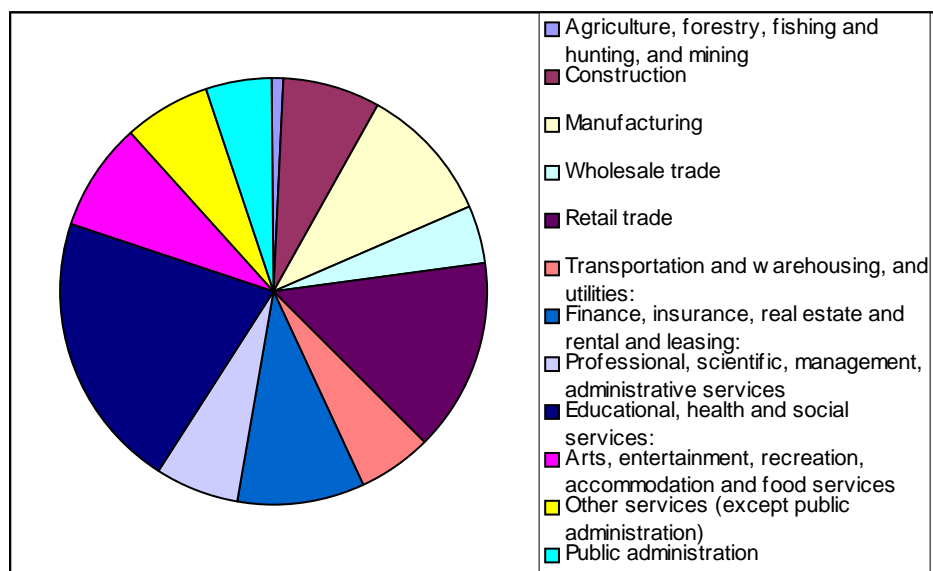
Table 1.3.3 and Chart 1.3.3 below; provide a look at occupation data, which indicate that there has been a shift in the distribution of occupations over the past decade.

Table 1.3.3
Occupation of employed persons for Amarillo 1990 & 2000

| Occupation of employed | 1990% | 2000% | Percent Point Change |
|--|--------|--------|----------------------|
| Agriculture, forestry, fishing and hunting, and mining | 1.44% | 0.97% | -0.46% |
| Construction | 7.38% | 7.35% | -0.04% |
| Manufacturing | 12.07% | 10.28% | -1.80% |
| Wholesale trade | 6.57% | 4.43% | -2.14% |
| Retail trade | 19.81% | 14.40% | -5.40% |
| Transportation and warehousing, and utilities: | 8.26% | 5.55% | -2.71% |
| Finance, insurance, real estate and rental and leasing: | 6.34% | 9.48% | 3.14% |
| Professional, scientific, management, administrative services | 6.56% | 6.52% | -0.03% |
| Educational, health and social services: | 17.11% | 21.13% | 4.02% |
| Arts, entertainment, recreation, accommodation and food services | 5.18% | 8.25% | 3.06% |
| Other services (except public administration) | 4.92% | 6.54% | 1.62% |
| Public administration | 4.36% | 5.09% | 0.73% |

Source: 2000 US Census

Chart 1.3.3: Occupation of employed in 2000



In 1990, 19.81 percent of all employed persons, 16 years of age and older, were employed in retail trade; 17.11 percent in education, health, and social services; 12.07 percent in manufacturing occupations; 8.26 percent in transportation, warehousing, and utilities; 7.38 percent in construction; 6.57 percent in wholesale trade; and 6.56 percent in professional, scientific, management, and administrative services. By 2000, shifts could be seen in occupations. Educational, health, and social services occupations had the largest increase, up 4.02 percentage points to 21.13 percent. Retail trade realized the largest reduction to 14.4 percent of the workforce, a 5.4 percentage point drop. Transportation, warehousing, and utilities experienced a drop of 2.71 percentage points to 5.55 percent of the work force. Wholesale trade showed a significant decrease to 4.43 percent of the workforce, down 2.14 percentage points.

A list of major employers, as reported by the Amarillo Chamber of Commerce, is found in Table 1.3.4 on the following page. Among local employers, the largest is Tyson Foods, with 3,700 employees. The next largest is the Amarillo Independent School District with 3,659 employees with BWXT following with 3,200; Baptist St. Anthony's Health Cares System with 2,800; City of Amarillo with 2,063; and Northwest Texas Healthcare System with 1,800 employees. Textron Bell recently relocated to the City, with 650 employees, and can be found in the total list of major employers is found in Table 1.3.4 on page 30.

The number of jobs available for low-income persons is largely dependent on the geographic location of the jobs. If jobs are concentrated in largely upper income areas, far removed from lower income persons, their ability to get to and from work may be difficult, sometimes causing hardships on employees or potential employees. The following profile looks at the public transportation system in Amarillo and how well it addresses these needs.

Table 1.3.4
Major Employers in Amarillo

| Employer | Number of Employees |
|---|----------------------------|
| Tyson Foods | 3,700 |
| Amarillo Independent School District | 3,659 |
| BWXT-Pantex | 3,200 |
| Baptist St. Anthony's Health Care System | 2,800 |
| City of Amarillo | 2,063 |
| Northwest Texas Healthcare System | 1,800 |
| Amarillo College | 1,340 |
| United Supermarkets | 1,249 |
| Texas Department of Criminal Justice | 1,207 |
| Affiliated Foods | 1,037 |
| Texas Tech University Health Science Center | 984 |
| Burlington Northern Santa Fe Railroad | 800 |
| VA Health Care System, Amarillo | 750 |
| West Texas A&M University | 722 |
| Xcel Energy | 700 |
| Textron Bell Helicopter | 650 |
| AIG | 602 |
| Hastings Books, Music & Video, Inc. | 589 |
| Amarillo National Bank | 586 |
| Potter County, Courthouse | 528 |
| Wal-Mart Supercenter, West | 570 |
| Wal-Mart Supercenter, Tascosa Rd. | 560 |
| United States Postal Service | 525 |
| Corporate Systems | 509 |
| Cactus Feeders | 500 |
| Texas Panhandle MHMR | 475 |
| Wal-Mart Supercenter, East | 475 |
| Jack B. Kelly, Inc. | 469 |
| Cal Farley's Boys Ranch Girlstown USA | 459 |
| Toot 'n Totum | 518 |
| Anderson Merchandisers | 400 |
| ASARCO | 400 |
| SBC | 400 |
| TX Dept. of Transportation- TX DOT | 400 |

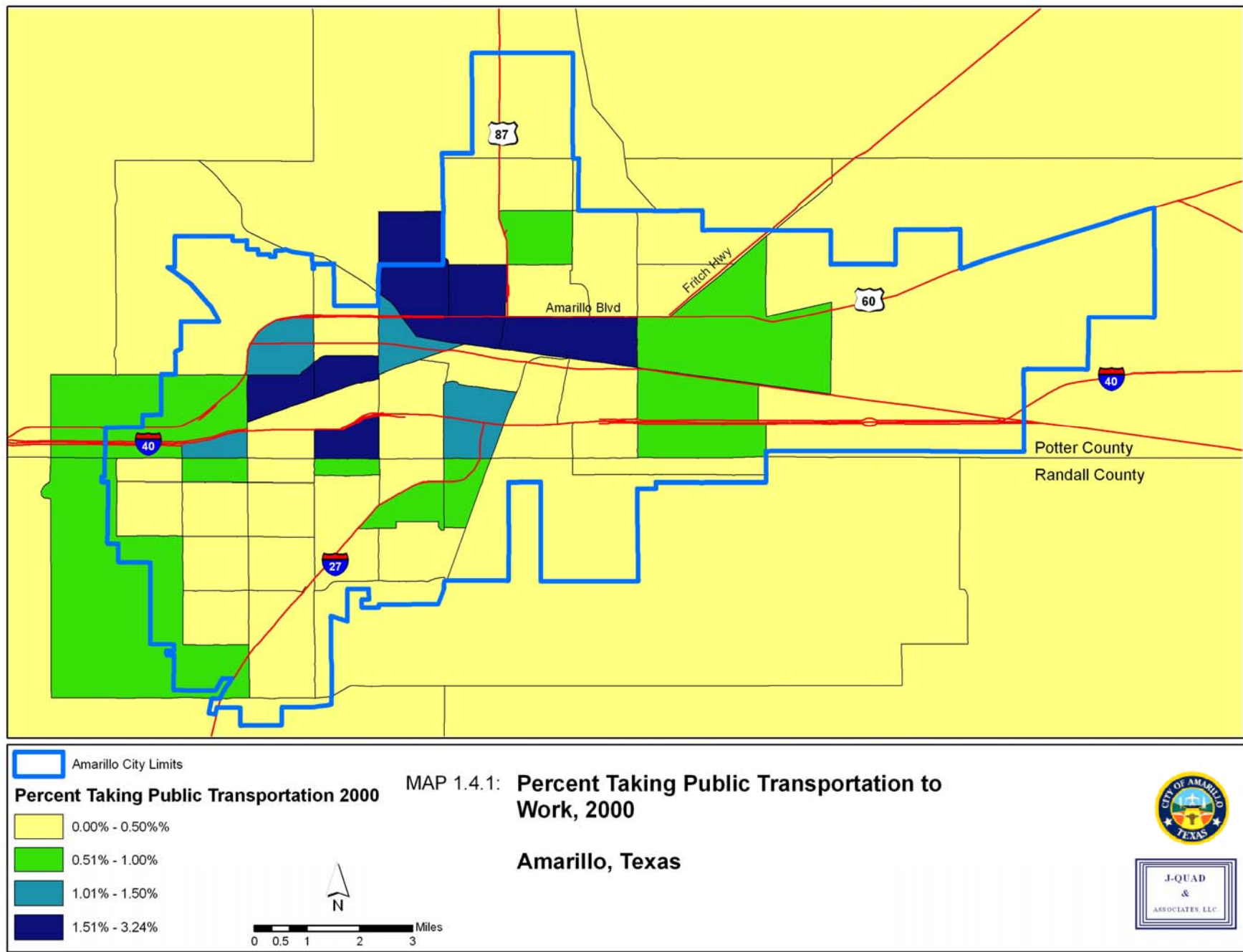
Source: <http://littlerock.dina.org/business/nonmanuf.html>

1.4. Public Transportation Profile

Local transit services in the city of Amarillo are provided through the Amarillo City Transit (ACT) department. Local transit services in the city have been available since 1925. The City of Amarillo began operating ACT in 1966, before then it was operated by a private company. ACT operates eight routes Monday through Saturday from 6:30 a.m. to 6:30 p.m. The transit department's goal is to provide safe, economical, and efficient transportation to the citizens of Amarillo.

ACT includes fixed route transit and demand response paratransit. Paratransit, Spec-Trans, is designed for persons with disabilities. Major trip generators include the medical center, education facilities, shopping centers, and state offices.

ACT transports approximately 350,000 passengers per year on the fixed route and 30,000 passengers on Spec-Trans, but it is a declining ridership. A 1991 survey of residents by the Amarillo Metropolitan Planning Organization showed that 95 percent of residents never use ACT, three percent use it once or twice per week, and only two percent use it three or more times per week. Despite the declining number of passengers, ACT has no plans to scale back any of their transit routes or services.



1.5. Housing Profile

As presented in Table 1.5.1 and Chart 1.5.1, there are 72,332 housing units located within Amarillo. Of these units, 59.12 percent are owner-occupied, 34.35 percent are renter-occupied, and the remaining 6.53 percent are vacant. The median home value for single-family houses in the city was \$71,600 and the median contract rent was \$411.

Table 1.5.2, to the right, shows that of all housing units, 70.64 percent were categorized as single-family detached, 3.78 percent as single-family attached, 5.71 percent contained two to four units, 15.24 percent as multifamily, and 4.63 percent as mobile home or other.

Table 1.5.3 and Chart 1.5.2, on the following page, provides details on the age of the housing units according to the 2000 census. Just over 26.4 percent were built prior to 1950, 22.19 percent were built between 1950 and 1959, 17.6 percent were built between 1960 and 1969, 19.35 percent were built between 1970 and 1979, and 22.67 percent were built after 1979.

Table 1.5.1

Tenure for housing in Amarillo, 2000

| Tenure | Number | Percent |
|-----------------|--------|---------|
| Owner occupied | 42,765 | 59.12% |
| Renter occupied | 24,847 | 34.35% |
| Vacant | 4,720 | 6.53% |
| Total: | 72,332 | 100.00% |

Source: 2000 US Census

Chart 1.5.1: Tenure for housing in Amarillo, 2000

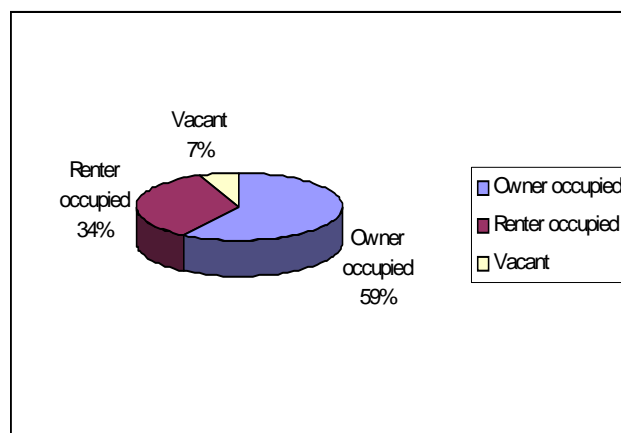


Table 1.5.2

Housing type for Amarillo, 2000

| Units in Structure | Number | Percent |
|------------------------|--------|---------|
| Single Family detached | 51,095 | 70.64% |
| Single Family attached | 2,734 | 3.78% |
| 2- 4 unit | 4,130 | 5.71% |
| Multifamily | 11,023 | 15.24% |
| Other | 3,350 | 4.63% |
| Total | 72,332 | 100.00% |

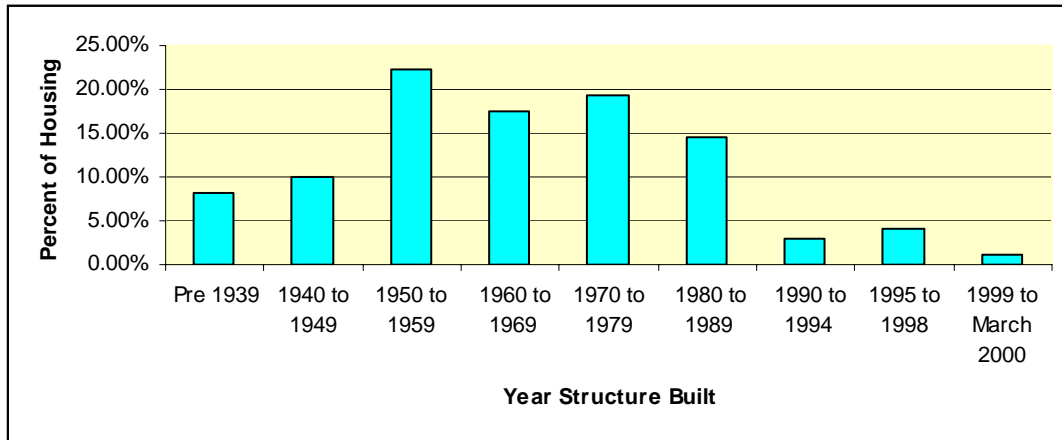
Source: 2000 US Census

Table 1.5.3
Age of Housing Stock in Amarillo, 2000

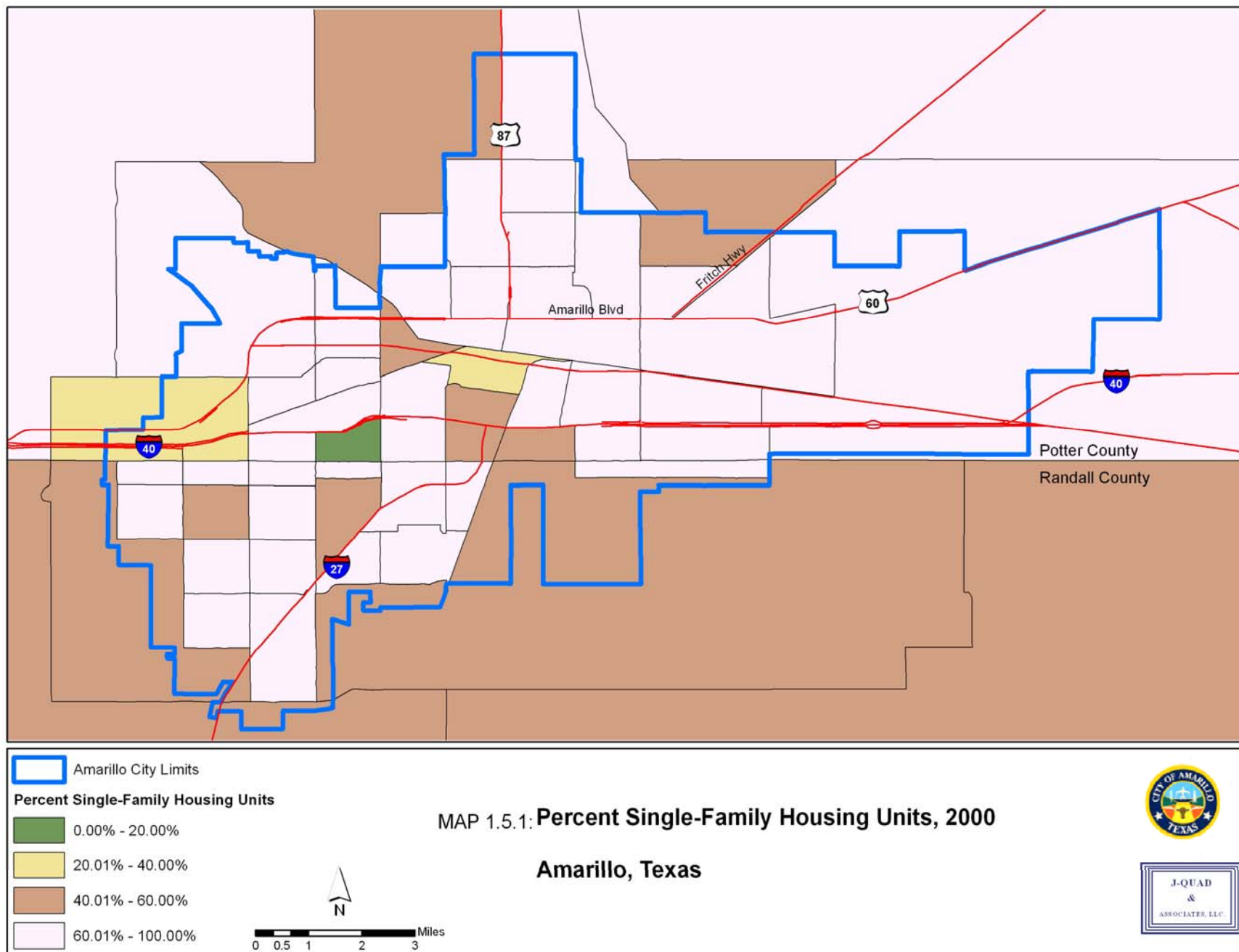
| Housing Built | Number | Percent |
|--------------------|--------|---------|
| Pre 1939 | 5,983 | 8.27% |
| 1940 to 1949 | 7,179 | 9.93% |
| 1950 to 1959 | 16,047 | 22.19% |
| 1960 to 1969 | 12,729 | 17.60% |
| 1970 to 1979 | 13,999 | 19.35% |
| 1980 to 1989 | 10,545 | 14.58% |
| 1990 to 1994 | 2,132 | 2.95% |
| 1995 to 1998 | 2,972 | 4.11% |
| 1999 to March 2000 | 746 | 1.03% |
| Total: | 72,332 | 100.00% |

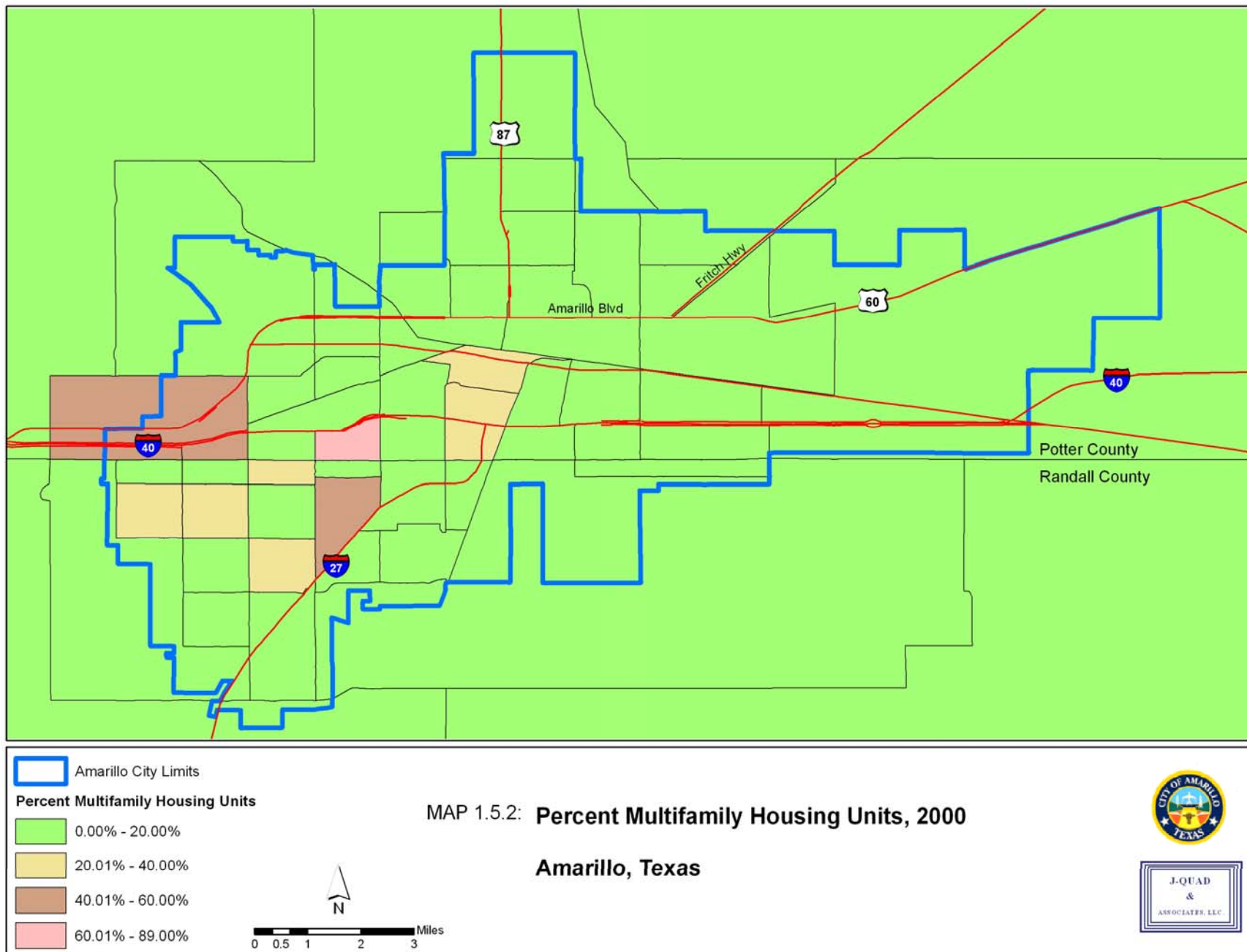
Source: 2000 US Census

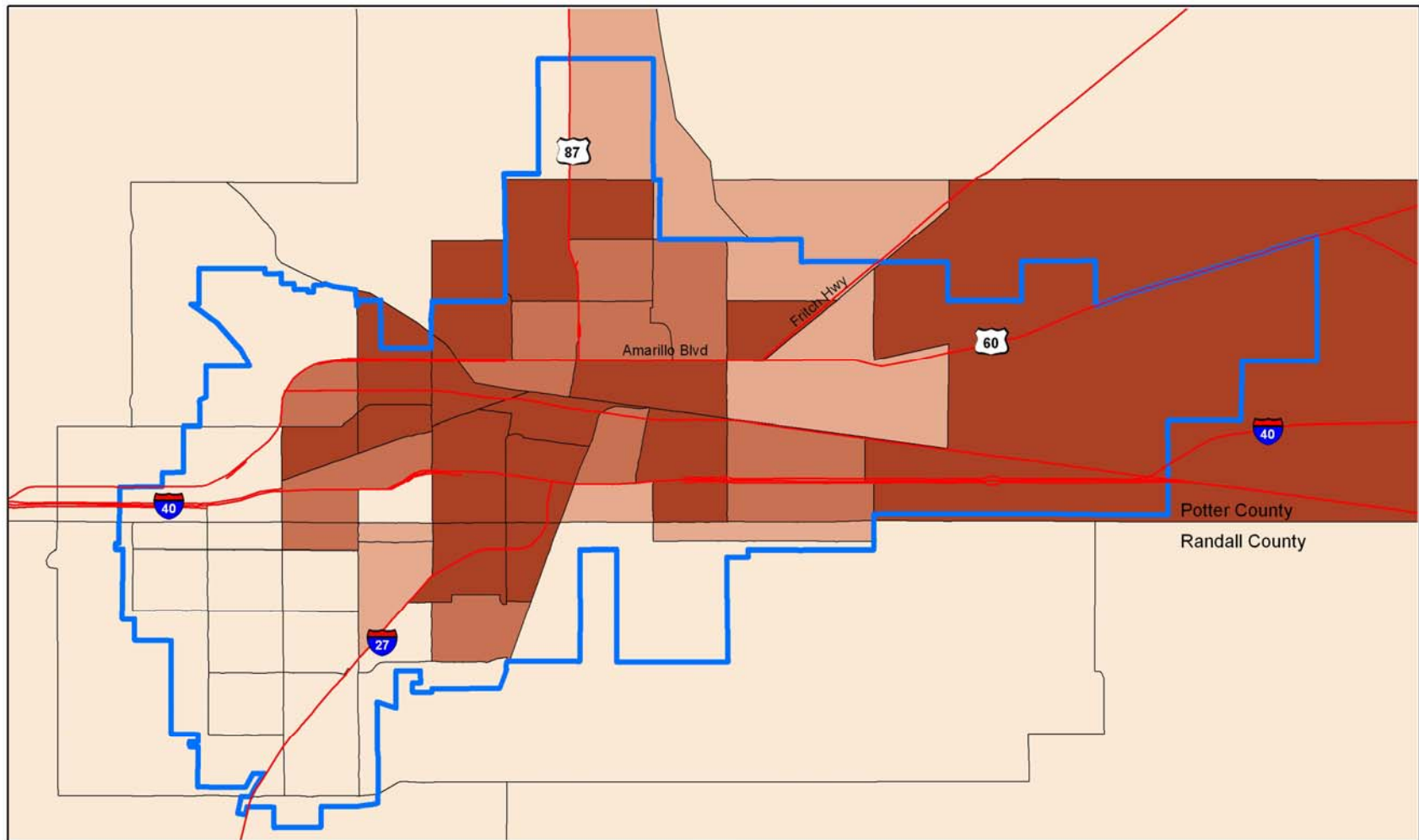
Chart 1.5.2: Age of Housing Stock in Amarillo, 2000



Maps 1.5.1 and 1.5.2, on following pages, indicate the distribution of single-family and multifamily housing across the city. Map 1.5.3, on the page 38, provides a geographic representation of the distribution of the oldest housing stock in the city.

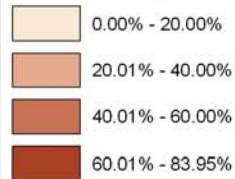






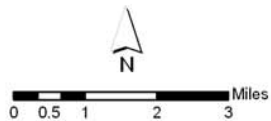
 Amarillo City Limits

Pre-1960 Housing Stock



MAP 1.5.3: Age of Housing Stock, 2000

Amarillo, Texas



When considering tenure by the race of the householder, the 2000 data shown in Table 1.5.4, below, indicate that 66.63 percent of White households own their home, while 33.37 percent rent. This compares to 54.11 percent of Hispanic households who own their home and 45.89 percent who rent and 46.29 percent of African-American households who own and 53.71 percent who rent.

Table 1.5.4
Tenure by race for Housing in Amarillo, 2000

| White | Number | Percent |
|--------|--------|---------|
| Owner | 34,061 | 66.63% |
| Rental | 17,062 | 33.37% |
| Total | 51,123 | 100.00% |

| African-American | Number | Percent |
|------------------|--------|---------|
| Owner | 1,610 | 46.29% |
| Rental | 1,868 | 53.71% |
| Total | 3,478 | 100.00% |

| Hispanic | Number | Percent |
|-----------------|--------|---------|
| Owner occupied | 5,837 | 54.11% |
| Renter occupied | 4,951 | 45.89% |
| Total: | 10,788 | 100.00% |

Source: 2000 US Census

Chart 1.5.3: Tenure by race for Housing in Amarillo, 2000

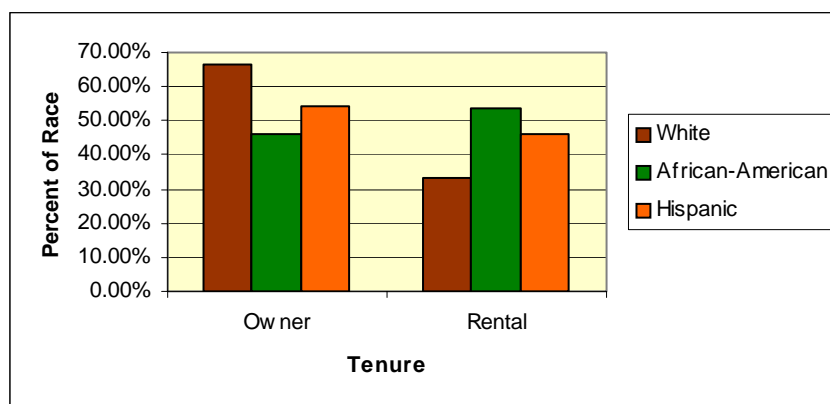


Table 1.5.5, below, and Chart 1.5.4, on the following page, show that the modal rent category (the category with the most number of renters) for Whites, African-Americans and Hispanics is the \$300 to \$499 range with 42.22 percent, 46.9 percent and 50.74 percent respectively.

Table 1.5.5
Gross rent by race for Amarillo, 2000

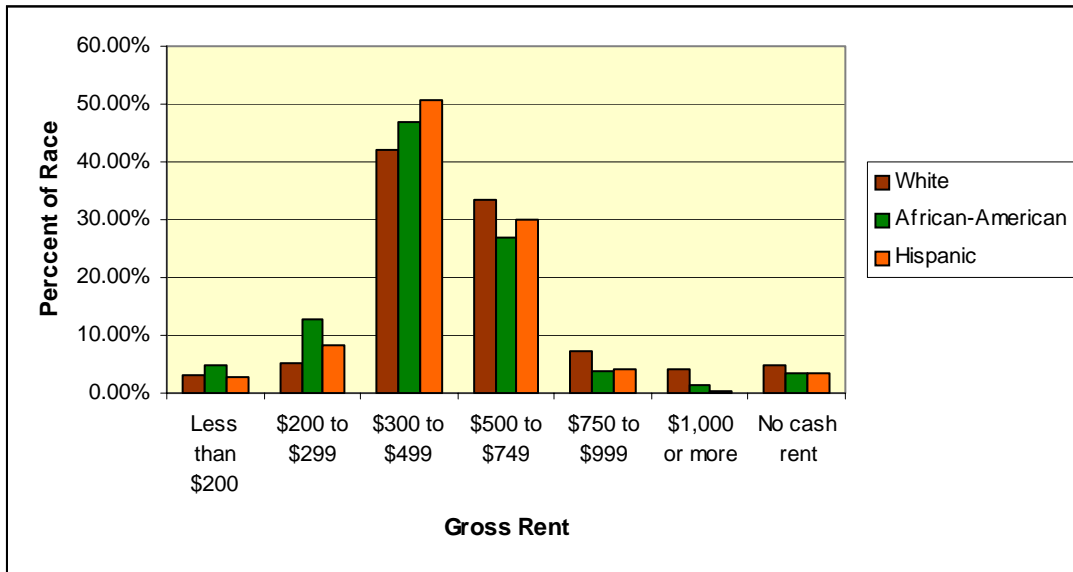
| White | Number | Percent |
|-----------------|---------------|----------------|
| Less than \$200 | 504 | 2.96% |
| \$200 to \$299 | 878 | 5.15% |
| \$300 to \$499 | 7,194 | 42.22% |
| \$500 to \$749 | 5,689 | 33.39% |
| \$750 to \$999 | 1,256 | 7.37% |
| \$1,000 or more | 717 | 4.21% |
| No cash rent | 800 | 4.70% |
| Total | 17,038 | 100.00% |

| African-American | Number | Percent |
|-------------------------|---------------|----------------|
| Less than \$200 | 92 | 4.93% |
| \$200 to \$299 | 241 | 12.90% |
| \$300 to \$499 | 876 | 46.90% |
| \$500 to \$749 | 500 | 26.77% |
| \$750 to \$999 | 68 | 3.64% |
| \$1,000 or more | 27 | 1.45% |
| No cash rent | 64 | 3.43% |
| Total | 1,868 | 100.00% |

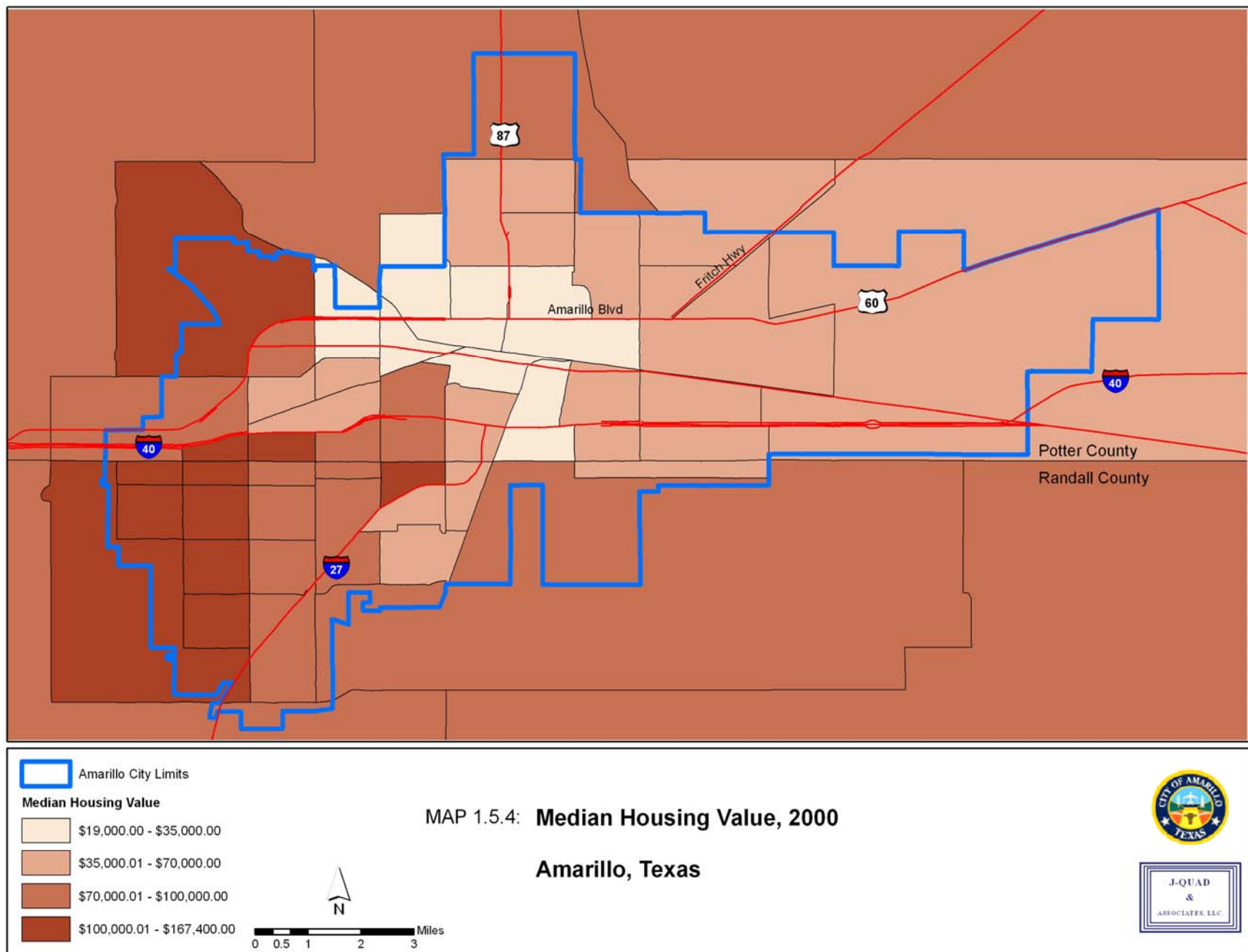
| Hispanic | Number | Percent |
|-----------------|---------------|----------------|
| Less than \$200 | 138 | 2.80% |
| \$200 to \$299 | 414 | 8.39% |
| \$300 to \$499 | 2,503 | 50.74% |
| \$500 to \$749 | 1,485 | 30.10% |
| \$750 to \$999 | 200 | 4.05% |
| \$1,000 or more | 16 | 0.32% |
| No cash rent | 177 | 3.59% |
| Total | 4,933 | 100.00% |

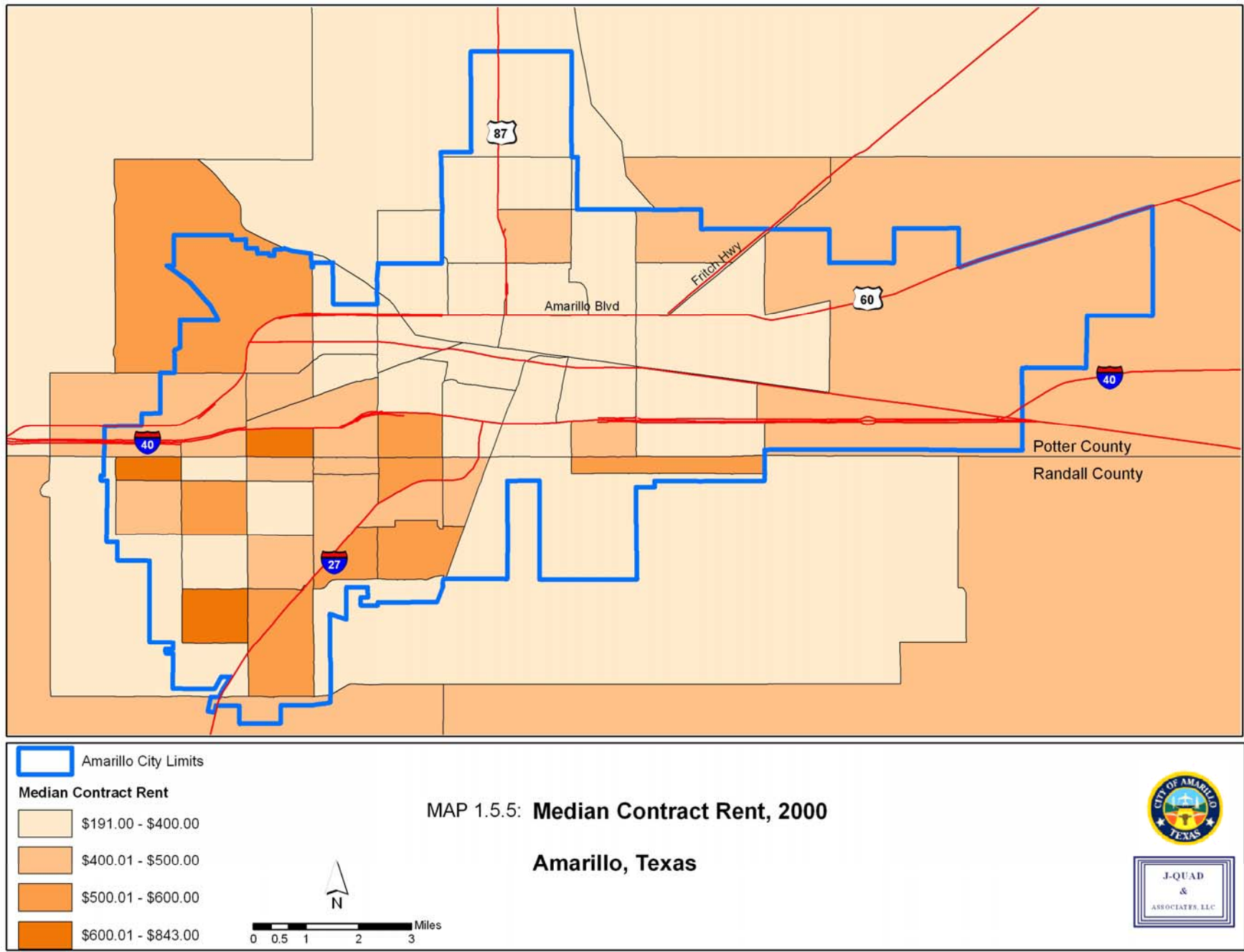
Source: 2000 US Census

Chart 1.5.4: Gross rent by number of households for Amarillo, 2000



Maps 1.5.4 and 1.5.5, on the following pages, provide a geographic depiction of the distribution of rents and housing values across the city.





Data contained in the Comprehensive Housing Affordability Strategy (CHAS) tables, for the years 1990 and 2000, duplicated in Table 1.5.6 and Table 1.5.7, on pages 45 and 46, indicate that the impact of housing costs on household incomes is very severe on low- and very low-income households. Table 1.5.6 indicates that 77.7 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and 69.3 percent of very low-income homeowner households paid more than 30 percent of their income on housing expenses in 1990. Over 76 percent of very low-income renters and 61.8 percent of very low-income homeowner households were in this category in 2000. Further, 63.6 percent of very low-income renters and 45.6 percent of very low-income homeowners paid more than 50 percent of their incomes on housing expenses in 1990. Compared to 2000, 61.7 percent of very low-income renters and 38.5 percent of very low-income homeowners had a cost burden greater than 50 percent. This is a -2.98 percent change for all very low-income renters and a -15.57 percent change for all very low-income homeowners paying over 50 percent of their incomes on housing expenses.

Looking at the Other Low-Income households (those earning between 31 percent and 50 percent of the median family income), nearly 67.3 percent of low-income renters and 42.2 percent of low-income homeowners paid more than 30 percent on housing expenses in 1990. Also, over 17 percent of renters and 15 percent of homeowners were paying more than 50 percent on housing expenses, during 1990. In 2000, the category shows 67.4 percent of renters and 41.5 percent of homeowners with rent burdens in excess of 30 percent, with 16.5 percent renters and 18.8 percent of homeowners paying more than 50 percent on housing expenses. This is a -4 percent change for other low-income renters and 25.3 percent change for other low-income homeowners paying over 50 percent of their incomes on housing expenses.

In 1990, the moderate income category (those earning between 51 percent and 80 percent of the median family income), shows 30.7 percent of renters and 22.3 percent of homeowners with rent burdens in excess of 30 percent, with nearly three percent renters and 4.6 percent of homeowners paying more than 50 percent on housing expenses. Whereas, in 2000, 23.2 percent of renters and 24.3 percent of homeowners experienced rent burdens in excess of 30 percent, with three percent renters and 5.8 percent of homeowners paying more than 50 percent on housing expenses. This is an 11.11 percent change for moderate-income renters and a 26.08 percent change for moderate income homeowners with a housing cost burden greater than 50 percent of their income.

Other low-income homeowners and moderate-income renters and homeowners spending more than 50 percent of their income for housing expenses are the income categories that have seen an increase in cost burden over the ten year span from 1990 through 2000.

Table 1.5.6
Rent Burden by income and tenure, 1990

| Very Low-Income (Household Income <=30% MFI) | | |
|--|---------------------|---------------------|
| Renters | % Cost Burden > 30% | % Cost Burden > 50% |
| Elderly | 61.4% | 42.1% |
| Small Related | 81.6% | 70.7% |
| Large Related | 81.3% | 66.4% |
| Other | 83.7% | 69.6% |
| Total Renters | 77.7% | 63.6% |
| Owners | | |
| Elderly | 61.3% | 35.3% |
| All other Owners | 77.6% | 56.4% |
| Total Owners | 69.3% | 45.6% |
| Total Households | 74.3% | 56.4% |
| Other Low-Income (Household Income >30 to <=50% MFI) | | |
| Renters | % Cost Burden > 30% | % Cost Burden > 50% |
| Elderly | 59.6% | 20.0% |
| Small Related | 70.7% | 17.0% |
| Large Related | 62.6% | 13.2% |
| Other | 69.8% | 17.9% |
| Total Renters | 67.3% | 17.2% |
| Owners | | |
| Elderly | 29.2% | 7.5% |
| All other Owners | 60.1% | 25.3% |
| Total Owners | 42.2% | 15.0% |
| Total Households | 55.3% | 16.2% |
| Moderate Income (Household Income >50 to <=80% MFI) | | |
| Renters | % Cost Burden > 30% | % Cost Burden > 50% |
| Elderly | 57.5% | 11.8% |
| Small Related | 26.8% | 1.9% |
| Large Related | 11.0% | 0.00% |
| Other | 33.5% | 1.8% |
| Total Renters | 30.7% | 2.7% |
| Owners | | |
| Elderly | 10.2% | 2.1% |
| All other Owners | 30.0% | 6.2% |
| Total Owners | 22.3% | 4.6% |
| Total Households | 26.3% | 3.7% |

Source: 1990 CHAS tables

Table 1.5.7
Rent Burden by income and tenure, 2000

| Very Low-Income (Household Income <=30% MFI) | | |
|--|-------------------------------|-------------------------------|
| Renters | % Cost Burden > 30% | % Cost Burden > 50% |
| Elderly | 69.4% | 53.3% |
| Small Related | 78.6% | 60.2% |
| Large Related | 85.9% | 66.5% |
| Other | 76.4% | 66.1% |
| Total Renters | 76.7% | 61.7% |
| Owners | | |
| Elderly | 59.7% | 30.5% |
| Small Related | 66.2% | 53.3% |
| Large Related | 54.0% | 37.1% |
| Other | 64.5% | 38.3% |
| Total Owners | 61.8% | 38.5% |
| Total Households | 71.6% | 53.7% |

| Other Low-Income (Household Income >30 to <=50% MFI) | | |
|---|-------------------------------|-------------------------------|
| Renters | % Cost Burden > 30% | % Cost Burden > 50% |
| Elderly | 61.8% | 27.9% |
| Small Related | 69.1% | 12.1% |
| Large Related | 50.6% | 4.2% |
| Other | 73.1% | 18.7% |
| Total Renters | 67.4% | 16.5% |
| Owners | | |
| Elderly | 30.0% | 13.2% |
| Small Related | 57.5% | 27.0% |
| Large Related | 41.1% | 11.1% |
| Other | 51.4% | 29.5% |
| Total Owners | 41.5% | 18.8% |
| Total Households | 55.0% | 17.6% |

| Moderate Income (Household Income >50 to <=80% MFI) | | |
|--|-------------------------------|-------------------------------|
| Renters | % Cost Burden > 30% | % Cost Burden > 50% |
| Elderly | 45.9% | 18.4% |
| Small Related | 20.1% | 0.4% |
| Large Related | 10.0% | 2.5% |
| Other | 23.8% | 1.2% |
| Total Renters | 23.2% | 3.0% |
| Owners | | |
| Elderly | 14.4% | 3.0% |
| Small Related | 32.3% | 8.2% |
| Large Related | 12.6% | 1.5% |
| Other | 41.5% | 10.9% |
| Total Owners | 24.3% | 5.8% |
| Total Households | 23.8% | 4.5% |

Source: 2000 CHAS tables

Fair Housing Law, Municipal Policies and Complaint Analysis

Overview

This section conceptualizes fair housing as five components that paint a picture of the current policies and laws that affect fair housing and fair housing choice. This analysis entails a review of state laws, regulations, administrative policies, procedures, and practices and assesses whether any of these impede the location, availability, affordability, and accessibility of housing.

Introduction

Impediments to fair housing choice may be acts that violate a law or acts or conditions that do not violate a law, but preclude people with varying incomes from having equal access to decent, safe, and affordable housing. Fair housing choice is defined, generally, as the ability of people with similar incomes to have similar access to housing.

The first part of this section will address the existing statutory and case law that works to remove impediments and promote fair housing choice. The federal fair housing law can be effective in mitigating barriers to fair housing choice, depending upon enforcement efforts. Related laws and case law that provide further interpretation, understanding, and support to the Fair Housing Act will also be discussed. The Texas Fair Housing Act and the City of Amarillo's Fair Housing Ordinance were reviewed and compared to the federal fair housing law to determine whether they offered similar rights, remedies, and enforcement to the federal law and might be construed as being substantially equivalent. Pertinent related laws, such as the Community Reinvestment Act and Home Mortgage Disclosure Act, were reviewed and will be mentioned in terms of how they can facilitate fair lending. Various case decisions pertaining to fair housing issues were reviewed and are incorporated in the discussion below.

The second section discusses the level of enforcement activity in the municipality. All investigations of fair housing complaints are conducted through the Texas Workforce Commission – Civil Rights Division or the regional U.S. Department of Housing and Urban Development. The Commission accepts and investigates complaints and provides fair housing literature and training to both the public and private sectors. Locally, complaints are referred to the Municipal Court – Prosecutor’s office.

The more difficult, but intertwined, aspect of fair housing choice is the availability of affordable housing. Adequate, decent, safe, and affordable housing for people of varying incomes should be available. Minimizing housing costs for very low- and low-income households usually requires some form of subsidy that is, oftentimes, generated utilizing federal, state, and/or local government dollars. The City of Amarillo has housing programs designed to rehabilitate and produce affordable housing. These efforts are detailed in the third section.

Numerous documents were collected and analyzed to complete these sections. The key documents were the Consolidated Plans prepared by the City of Amarillo, the community profile section of this impediment analysis, the City’s zoning ordinances, and documentation on various housing programs and projects, including new initiatives offered by the City of Amarillo. City staff also provided information on their various efforts to develop affordable housing in the past and present, and concerning their plans for the future. Regulatory and public policies are reviewed in the fourth section.

An analysis of fair housing complaints is covered in the fifth section. The Fair Housing Act of 1988, as amended, makes it unlawful to discriminate on the basis of race, color, religion, national origin, disability or familial status. Therefore, complaints can be filed under any of these bases.

The last section contains conclusions about fair housing barriers based on the existing law, enforcement efforts, complaint analysis, and availability of affordable housing.

2.1. Fair Housing Law

The Federal Fair Housing Act (the Act) was enacted in 1968, and amended in 1974 and 1988 to add protected classes, provide additional remedies, and strengthen enforcement. The Act, as amended, makes it unlawful for a person to discriminate on the basis of race, color, sex, religion, national origin, handicap, or familial status. Generally, the Act prohibits discrimination based on one of the previously mentioned protected classes in all residential housing, residential sales, advertising, and residential lending and insurance. Prohibited activities under the Act, as well as examples, are listed below.

It is illegal to do the following based on a person's membership in a protected class:

- Misrepresent that a house or apartment is unavailable by:
 - ✓ Providing false or misleading information about a housing opportunity,
 - ✓ Discouraging a protected class member from applying for a rental unit or making an offer of sale, or
 - ✓ Discouraging or refusing to allow a protected class member to inspect available units;
- Refuse to rent or sell or to negotiate for the rental or sale of a house or apartment or otherwise make unavailable by:
 - ✓ Failing to effectively communicate or process an offer for the sale or rental of a home,
 - ✓ Utilizing all non-minority persons to represent a tenant association in reviewing applications from protected class members, or
 - ✓ Advising prospective renters or buyers that they would not meld with the existing residents;
- Discriminate in the terms, conditions, or facilities for the rental or sale of housing by:
 - ✓ Using different provisions in leases or contracts for sale,
 - ✓ Imposing slower or inferior quality maintenance and repair services,
 - ✓ Requiring a security deposit (or higher security deposit) of protected class members, but not for non-class members,

- ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or
 - ✓ Evicting minorities, but not Whites, for late payments or poor credit;
- Make, print, publish, or post (direct or implied) statements or advertisements that housing is not available to members of a protected class;
- Persuade or attempt to persuade people, for profit, to rent or sell their housing due to minority groups moving into the neighborhood by:
 - ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a Black real estate agent as the successful seller, or
 - ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a good time to sell, or noting the effect of the changing demographics on property values;
- Deny or make different loan terms for residential loans due to membership in a protected class by:
 - ✓ Using different procedures or criteria to evaluate credit worthiness,
 - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,
 - ✓ Implementing a policy that has the effect of excluding a minority area, or
 - ✓ Applying different procedures (negative impact) for foreclosures on protected class members;
- Deny persons the use of real estate services;
- Intimidate, coerce or interfere; or
- Retaliation against a person for filing a fair housing complaint.

The Fair Housing Act requires housing providers to make reasonable accommodations in rules, policies, practices, and paperwork for persons with disabilities. They must allow reasonable modifications in the property so people with disabilities can live successfully. The Texas Workforce Commission – Civil Rights Division highlights seven technical requirements in the Accessibility Guidelines for covered buildings.

- Accessible Entrance on an Accessible Route
- Accessible Public and Common Use Areas
- Usable Doors
- Accessible Routes Into and Through the Dwelling Unit
- Accessible Light Switches, Electrical Outlets, and Environmental Controls
- Reinforces Walls in Bathroom
- Usable Kitchens and Bathrooms.

In addition to prohibiting certain discriminatory acts, the Act places no limit on the amount of recovery and imposes substantial fines. The fine for the first offense can be up to \$10,000; the second offense, up to \$25,000; and the third offense, up to \$50,000.

Fair Housing Act and Advertising

It is unlawful to make, print, publish, or post (direct or implied) statements or advertisements that housing is not available to members of a protected class. According to the Federal Act, advertisement under this section refers not only to published ads in newspapers, but also to any other statements that are written, verbal, or non-verbal. Discriminatory advertisements include, but are not limited to, applications, brochures, signs, banners, photographs, symbols, human models, and spoken words and phrases which convey the message that dwellings are available or are not available to a particular protected class. Generally, ads should not contain words that express a preference based on a protected class. There are a few exemptions such as housing for older persons, private clubs, shared-living housing, and religious organizations. A general rule of thumb on terms to use when advertising the sale or rental of a dwelling is to describe the property, not the person. Catchwords, such as “exclusive”, “private” or “integrated” may convey a preference for one group over another and send signals about a community’s makeup.

The Fair Housing Act does not require the use of the Equal Opportunity logo or slogan in any ad. However, using the logo is good solid evidence of the company’s commitment to fair housing compliance. Regulations do require the display of the HUD

fair housing poster at any brokerage office and at dwellings under construction. A review of the real estate classified section of the Amarillo Globe-News from February 27 to April 3 revealed only one builder that had questionable advertising based on a lack of racial diversity in photographs over an extended period of time. Some of advertisers in the real estate publications such as Homes and The Real Estate Book do not advertise with the equal housing opportunity logo or slogan. Including this logo is a means of educating the home seeking public that the property is available to all persons. A failure to display the symbol or slogan may become evidence of discrimination if a complaint is filed.

The 1972 amendment to the federal Fair Housing Act of 1968 instituted the use of an equal housing opportunity poster. This poster, which can be obtained from HUD, features the equal housing opportunity slogan, an equal housing statement, and the equal housing opportunity logo. When HUD investigates a broker for discriminatory practices, it considers failure to display the poster as evidence of discrimination.

In a landmark ruling in *United States v. Hunter*, 459 F.2d 205 (4th Cir.), the Court of Appeals ruled that the Fair Housing Act applies to newspapers and other media that publish discriminatory advertisements even though another person placed the advertisement. That case, decided in 1972, involved a classified advertisement seeking a tenant for an apartment in a “white home”. The United States Government brought the case against the newspaper seeking injunctive relief to prohibit the newspaper from publishing discriminatory real estate advertisements. The Court also ruled that section 3604(c) of the Fair Housing Act, the provision stating that discriminatory real estate advertising is prohibited, is not a violation of the First Amendment and it further ruled that the basis for determining whether an ad violates section 3604(c) is determined by how an “ordinary” reader would interpret the ad.

FHAP / FHIP Explanation

The U. S. Department of Housing and Urban Development (HUD) provides funding to state and local governmental agencies to enforce local fair housing laws that are substantially equivalent to the Fair Housing Act. Once a state and/or city have a substantially equivalent fair housing law, they can attempt to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints or they can become a Fair Housing Initiatives Program (FHIP) Agency and receive funds for education, promoting fair housing, and investigating allegations. It should be noted that a city must be located in a state with a fair housing law that has been determined by HUD to be substantially equivalent. The city must then adopt a law that HUD concludes is substantially equivalent in order to participate in the FHAP Program. The local law must contain the seven protected classes - race, color, national origin, sex, religion, handicap, and familial status - and must have substantially equivalent violations, remedies, investigative processes, and enforcement powers. In addition, the process for investigating and conciliating complaints must mirror HUD's.

HUD's process begins when an aggrieved person files a complaint within one year of the date of the alleged discriminatory housing or lending practice. The complaint must be submitted to HUD in writing. However, this process can be initiated by a phone call. HUD will complete a complaint form, also known as a 903, and mail it to the complainant to sign. The complaint must contain the name and address of the complainant and respondent, address and description of the housing involved, and a concise statement of the facts, including the date of the occurrence and the complainant's affirmed signature. Upon filing, HUD is obligated to investigate, attempt conciliation, and resolve the case within 100 days. Resolution can be a dismissal, withdrawal, settlement or conciliation, or no determination as to cause.

The FHAP certification process includes a two-year interim period when HUD closely monitors the intake and investigative process of the governmental entity or non-profit applying for substantial equivalency certification. Also, the local law must provide

enforcement for aggrieved citizens where cause is found. It can be through an administrative hearing process or filing suit on behalf of the aggrieved complainant in court.

The FHIP certification process is contingent on which type of funding the agency is applying. There are four programs to which an agency can apply; Fair Housing Organizations Initiative (FHOI), Private Enforcement Initiative (PEI), Education Outreach Initiative (EOI), and Administrative Enforcement Initiative (AEI). Currently, there is no funding under the AEI status.

The State of Texas enacted the Texas Fair Housing Act in 1989. The State's Act was determined by HUD to be substantially equivalent. The City of Amarillo also has a local fair housing ordinance that provides substantially equivalent rights and remedies to those granted under the federal law. The Texas Workforce Commission, formally known as the Texas Commission of Human Rights is the state FHAP agency.

Fair Housing Court Case Examples

There are other laws that augment or promote fair housing choice. Recent developments discussed here pertain to court cases and decisions that have developed in fair housing, as well as other laws that have been utilized to enhance fair housing efforts.

Since the inception of the Act, insurance companies have taken the position that they are not covered by the Act. However, in 1992 a Wisconsin Appeals Court determined that the Act "applies to discriminatory denials of insurance and discriminatory pricing that effectively preclude ownership of housing because of the race of an applicant." The case was a class action lawsuit brought by eight African-American property owners, the NAACP, and the American Civil Liberties Union against the American Family Insurance Company. The plaintiffs claimed they were either denied insurance, underinsured, or their claims were more closely scrutinized than Whites. American Family's contention was that the Act was never intended to prohibit insurance redlining. The appeals Court

stated, “Lenders require their borrowers to secure property insurance. No insurance, no loan; no loan, no house; lack of insurance thus makes housing unavailable.” A 1998 court verdict against Nationwide Insurance further reinforced previous court action with a \$100 million judgment due to illegally discriminating against black homeowners and predominantly black neighborhoods.

Another case was settled for \$250,000 in Maryland when Baltimore Neighbors, Inc., a non-profit organization, alleged that real estate agents were steering. Fine Homes’ real estate agents were accused of steering prospective African-American buyers away from predominantly White neighborhoods and Whites were almost never shown homes in predominantly African-American zip codes.

A 1999 joint statement from the Department of Justice and HUD details changing attitudes concerning group homes for disabled and mentally ill persons situated in residential neighborhoods. The statement indicates that group homes should be treated no different than non-related individuals sharing a home. If a jurisdiction has zoning rules limiting the number of non-related individuals living in a home in a residential area, similar limits may be imposed on group homes for the disabled or mentally ill. If no such zoning rules exist limiting non-related individuals, none may be set for group homes. This statement does not include half-way homes for ex-convicts, drug users, or persons who have been convicted of the manufacture or sale of illegal drugs.

In *City of Edmonds v. Oxford House*, the United States Supreme Court ruled that the Fair Housing Amendments Act of 1988 prevents communities from excluding group homes for the handicapped from single-family residential zones. Oxford House is a nonprofit umbrella organization with hundreds of privately operated group homes throughout the country that house recovering alcoholics and drug addicts. Recovering alcoholics and drug addicts, in the absence of current drug use or alcohol consumption, are included under the protected class of handicapped in the Fair Housing Act as amended in 1988. In *Oxford House v. Township of Cherry Hill*, 799 F. Supp. 450 (D. N.J. 1991), the federal court rejected a state court ruling that said recovering alcoholic

and drug addicted residents in a group home do not constitute a single-family under the Township's zoning ordinance. In *Oxford House-Evergreen v. City of Plainfield*, 769 F. Supp. 1329 (D. N.J. 1991) the court ruled that the City's conduct, first announcing that the Oxford House was a permitted use only to deny it as a permitted use after neighborhood opposition, was intentionally discriminatory.

"Unjustified institutionalization of persons with mental disabilities...qualifies as discrimination." - was stated as the majority opinion of the U.S. Supreme Court. In a landmark decision by a 6-3 vote, the U.S. Supreme Court ruled in June 1999, that a state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather than in a segregated setting. This case, known as the *Olmstead* case, ruled that community placement is a must when deemed appropriate by state professionals, agreed to by the individual with the disability, and resources available are sufficient. The courts agreed with "the most integrated setting" provision of the ADA.

In 2003, a settlement was ordered by the District Court in New Jersey for the owner of the internet website, www.sublet.com, who was found guilty of publishing discriminatory rental advertisements which is prohibited by the Fair Housing Act. It was the first of its kind to be brought by the Justice Department. It was thought to be imperative that the federal laws that prohibit discriminatory advertising should enforce with the same vigor with regard to internet advertising as it would for print and broadcast media. The court ordered the site to establish a \$10,000 victim fund to compensate individuals injured by the discrimination. They were also ordered to pay a civil penalty of \$5,000, adopt a non-discrimination policy to be published on the website, and require all employees to undergo training on the new practices.

In February 2005, a federal court jury in Detroit sided with a 55-year-old disabled registered nurse in a decision that could solidify the right of mentally ill people to obtain exceptions to no-pet policies in apartment, condominium and cooperative housing

complexes. The verdict which awarded \$14,209 in actual damages and \$300,000 in punitive damages to the nurse is believed to be the first federal jury verdict to recognize mental illness as a disability under the federal Fair Housing Act.

Under the Fair Housing Act, apartment complexes and condominiums with four or more units and no elevator, built for first occupancy after March 13, 1991, must include accessible common and public use areas in all ground-floor units. An apartment complex near Rochester, New York was ordered to pay \$300,000 to persons with disabilities for not making its housing facility fully accessible, with \$75,000 set aside for the plaintiffs. They were required to publish a public notice of the settlement fund for possible victims and pay a \$3,000 civil penalty.

Fair Lending Laws

Unfair lending is more difficult to detect and to prove. However, there are laws, other than the fair housing law, to assist communities in aggressively scrutinizing fair lending activity. One such law is the Home Mortgage Disclosure Act (HMDA), which requires banks to publish a record of their lending activities annually. Frequently, fair housing enforcement agencies and nonprofits use this data to help substantiate a discrimination claim or to determine a bank's racial diversification in lending. Another law frequently utilized by community organizations is the Community Reinvestment Act (CRA). When a bank wants to merge with or buy another bank or establish a new branch, the community has an opportunity to comment. Usually, the CRA commitments made by the bank are analyzed, utilizing other data such as HMDA, to determine adherence. The community can challenge the action if the bank has a poor record. Sometimes agreements can be reached with the bank promising a certain level of commitment to the community. Additionally, the Equal Credit Opportunity Act (ECOA) prohibits discrimination in lending generally and can be quite significant when it comes to securing information about unfair lending practices and imposing remedies, which may include up to one percent of the gross assets of the lending institution.

The Fair Housing Act and Homelessness

Homelessness is defined as lacking a fixed, regular, and adequate night-time residence; or the primary night-time residence is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides temporary residence for individuals intended to be institutionalized; or,
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The Fair Housing Act's definition of "dwelling" does not include overnight or temporary residence so mistreatment of the homeless is not specifically covered by the Fair Housing Law although the inability of persons to find affordable housing, which may lead to homelessness, is a protected right of Fair Housing.

Testing Rights

It has long been settled that fair housing testing is legal and that non-profits have standing to sue when certain criteria are met. These decisions make it feasible for non-profits to engage in fair housing enforcement activities.

2.2. Enforcement

In the absence of local investigation services, the task of investigating fair housing complaints is performed by the Texas Workforce Commission – Civil Rights Division. The Civil Rights Division takes complaints, investigates the issues, and attempts to conciliate the dispute. The process that the Commission follows was patterned after the process that HUD established for fair housing complaints prior to transferring enforcement activities to substantially equivalent entitlement communities that have completed the training requirements to become a Fair Housing Assistance Program (FHAP) agency. In Texas, HUD is mandated to turn over all complaints to the FHAP and if federal money is involved the FHAP has the option to turn the case back over to HUD.

There is not a local enforcement agency in Amarillo. Most people direct their complaints to the City of Amarillo and then the complainants are informed of HUD's complaint process and are directed to file a complaint with the Regional HUD office in Fort Worth, Texas. or referred locally to the Municipal Court – Prosecutor's office.

Education and Outreach

An essential ingredient of fair housing opportunity and enforcement is the education of the public regarding the rights and responsibilities afforded by the fair housing law. This includes the education of housing and financial providers, as well as citizens, the potential victims of discrimination. It is important for potential victims of housing and/or lending discrimination to be aware of fair housing issues generally, know what may constitute a violation, and what they can do in the event they believe they may have been discriminated against. Likewise, it is important for lenders, housing providers, and their agents to know their responsibilities and when they may be violating fair housing law.

Often, people may be unaware of their fair housing rights. Present day housing discrimination does not tend to be as overt. Instead of saying that no children are

allowed, they may impose unreasonable occupancy standards that have the effect of excluding families with children. Rather than saying, “We do not rent to Hispanics,” they may say, “Sorry we do not have any vacancies right now, try again in a few months,” when, in fact, they do have one or more vacancies. Printed advertisements do not have to state, “no families with children or minorities allowed” to be discriminatory. A series of ads run over an extended period of time that always or consistently exclude children or minorities may very well be discriminatory. In addition, a person who believes he/she may have been discriminated against will probably do nothing if he/she does not realize that a simple telephone call can initiate intervention and a resolution on his/her behalf, without the expenditure of funds or excessive time. Thus, knowledge of available resources and assistance is a critical component.

Amarillo does not have a local agency responsible for acting as an advisory body on non-discrimination policies, conducting educational programs, and investigating complaints of discrimination. These are common roles for agencies that have a Fair Housing Initiatives Program (FHIP) designation. The State FHAP is also mandated to conduct fair housing education and outreach services, but since they are a state agency they have a large jurisdiction to cover and Amarillo has not been targeted for a local training workshop. The FHAP has leased a billboard adjacent to I-40 to raise public awareness of fair housing rights. The FHAP can also assist organizations with developing methods to address fair housing issues. Currently, there are no local non-profits organizations being assisted by the FHAP. All of the outreach efforts are headed by the City of Amarillo. The City distributes resources such as fair housing brochures and materials at various public events, in the utility bill, and to area realtors and lenders.

The Apartment Association of the Panhandle is addressing landlord/tenant issues through the continuing education efforts among its members, which are primarily apartment managers. In addition, the organization has started a Renting 101 course for the local school districts to help students become aware of tenants’ rights and the financial responsibility of renting.

2.3. Production and Availability of Affordable Units

An overview of the key characteristics affecting the housing environment in Amarillo will assist in assessing the adequacy and effectiveness of the housing programs designed and implemented by the City, in reaching the target market, and identifying and serving those who have the greatest need. Much of the information is taken from the Consolidated Plan, the Consolidated Annual Performance and Evaluation Report (CAPER), the Annual Action Plan, and other documentation provided by the City of Amarillo.

Grant funding for the past two years and upcoming program year include entitlement allocations for Community Development Block Grant and HOME Investment Partnership. Funding levels were:

City of Amarillo, Texas

| | | |
|-----------|-----------------------------------|-------------|
| 2004-2005 | Community Development Block Grant | \$2,052,630 |
| | HOME Investment Partnership Grant | \$1,003,457 |
| 2003-2004 | Community Development Block Grant | \$2,168,000 |
| | HOME Investment Partnership Grant | \$1,049,913 |
| 2002-2003 | Community Development Block Grant | \$2,223,000 |
| | HOME Investment Partnership Grant | \$1,053,540 |

Within the City's 2004-2005 Annual Action Plan there were three affordable housing priorities outlined:

1. Lower income renter households should have opportunities to live in decent, safe, and affordable housing of their choice.
2. Low and moderate-income homebuyers should have the opportunity and ability to live in decent, safe, and affordable housing of their choice.
3. Low and moderate-income homeowners should live in and be able to maintain housing that is safe and affordable.

During the previous program year, 2003/04, 1,830 units or residents were provided assistance from the City of Amarillo's housing assistance programs for owners and renters.

Several affordable housing projects will be undertaken during the program year beginning October 1, 2004. Twenty-five thousand dollars will be used to pave one block of unopened dirt to promote the construction of affordable housing in a residential neighborhood. Over \$2,180,900 will be used a variety of affordable housing endeavors including owner-occupied housing rehabilitation, emergency repairs, homebuyer downpayment assistance, new construction development, rental rehabilitation, and funding for two Community Housing Development Organizations (CHDOs). Thirty-six thousand dollars will be used for code enforcement to strengthen code enforcement within the CDBG target area.

The City of Amarillo's yearly goals are to assist 350 households with rental assistance; 50 families with self sufficiency; 130 households with tenant assistance; 130 with homebuyer assistance; 500 with homebuyer education; 10 new homes constructed; two (2) houses rehabilitated and then sold; five (5) owner-occupied homes rehabilitated; 250 emergency home repairs; 50 weatherization projects for homeowners; and five (5) home improvements.

The City of Amarillo has several programs designed to facilitate the first priority of low-income renters having affordable, safe, and decent rental housing available to them. The Rental Rehabilitation program provides property owners with a no interest deferred payment loan as an incentive for property owners to renovate and rehabilitate substandard rental units. In program year 2004/05, the City of Amarillo plans to provide assistance for six units. The City has allocated \$117,487 during the current program year to Catholic Family Service, a Community Housing Development Organization (CHDO) in Amarillo, to provide funding for the CHDO to purchase and rehabilitate a multi-family rental complex that will provide 40 rental units for low-income households.

The second affordable housing priority for the City of Amarillo, “low and moderate-income homebuyers should have the opportunity and ability to live in decent, safe, and affordable housing of their choice” also several strategies to achieve this goal. The City has designated \$40,000 of HOME funds to be used on four homes built by Habitat for Humanity, a local CHDO. The City of Amarillo will also offer subsidies to reduce the cost of development and the construction of homes to builders through a competitive proposal process. Forty (40) units are proposed under this program during the 2004/05 program year. The homebuyer assistance program provides downpayment and closing cost assistance to homebuyers at or below 80 percent of the median family income (MFI) with up to \$5,000 and for homebuyers at or below 60 percent of the MFI a maximum of \$15,000 is available if the homebuyers meet specific requirements and attend homebuyer education courses. One hundred (100) units are expected to be funded through this program. Through the American Dream Downpayment Initiative (ADDI) program, the City will provide first time homebuyers with assistance for downpayment and closing cost for previously lived in homes. New construction is not eligible for assistance. Twelve (12) units should be funded through this program.

The City of Amarillo has several programs designed to implement the third goal of low and moderate-income homeowners living in and having the ability to maintain housing that is safe and affordable. Emergency repair grants are offered to very low-income homeowners (50 percent MFI) to repair hazardous conditions in their homes. Three hundred (300) units should receive emergency repair assistance. No interest deferred payment loans are also available to low-income homeowners to rehabilitate their homes. During the program year 2004/05, six owner-occupied units should be rehabilitated. The City of Amarillo will also intensify their code enforcement department by using \$36,000 in CDBG monies to fund a housing inspector to identify properties that need to be cleaned up, repaired, or renovated. The housing inspector is projected to inspect 4,000 units during the current program year.

In addition, Amarillo administers 1,409 Section 8 vouchers and two special programs that assist homeless individuals and families with affordable housing needs.

2.4. Regulatory and Public Policy Review

The City's zoning ordinance, building code, and public policies were examined to reveal any current ordinances or policies that impede fair housing and housing choice. Amarillo's zoning ordinance does not appear to be an impediment to fair housing choice within the City. The variety of lot sizes, residential districts, and the inclusion of industrialized homes and multi-family dwelling units are tools that extend fair housing choice to individuals at all income levels. Manufactured homes, particularly Type C, are allowed in all of the residential zoning districts. There are also a variety of lot sizes and the minimum lot sizes do not preclude the construction of affordable housing.

The City of Amarillo's definition of family is broadly defined to include any group of unrelated persons up to four living together as a single housekeeping unit. Any number of persons with disabilities residing in community homes for the disabled may live together as a housekeeping unit as long as they meet the Texas licensing requirements as mandated in the Texas Human Resources Code Ann., Chapter 123.

In 2003, the City of Amarillo was recognized as a best practice in the HUD Regulatory Barriers Clearinghouse for their innovative strategies for encouraging fair and affordable housing within their municipal code. They were highlighted for their allowance of compatible manufactured housing in single-family home districts; their homestead exemption of \$8,600 for seniors that facilitates the continued affordability of housing for elderly residents; and their policy to ban discrimination in the sale and rental of housing.

2.5. Analysis of Fair Housing Complaints

Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Amarillo from January 1, 2000 through December 31, 2004. The complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) regional office in Fort Worth, Texas. Eleven (11) complaints were filed according to one or more of seven bases, including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. Table 2.5.1, below, shows the breakdown. The total is more than eleven because some cases cited multiple bases in their claim.

Table: 2.5.1
Fair Housing Complaints (2000-2004)

| Protected Class | Race/ Color | National Origin | Familial Status | Handicap | Sex | Religion | Totals |
|------------------------|--------------------|------------------------|------------------------|-----------------|------------|-----------------|---------------|
| 2000 | 0 | 0 | 1 | 0 | 1 | 0 | 2 |
| 2001 | 0 | 0 | 2 | 3 | 3 | 0 | 8 |
| 2002 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2003 | 1 | 0 | 1 | 1 | 1 | 0 | 4 |
| 2004 | 0 | 1 | 3 | 0 | 1 | 0 | 5 |
| Totals | 1 | 1 | 7 | 4 | 6 | 0 | 19 |

Source: U.S. Department of Housing and Urban Development – Fort Worth Regional Office

Of the 11 complaints, all were closed with a satisfactory resolution. Two (2) cases were closed with conciliation where probable cause was found prior to being conciliated. Five (5) cases were closed with a no cause determination. This means that justification for the complaint was not applicable to the Fair Housing Law. Two (2) cases were closed because the complainant withdrew the complaint after the resolution. In one case the complainant could not be located after the complaint was filed, while only one case was dismissed due to lack of jurisdiction. Table 2.5.2, below, shows the tally of the case closure types by year the case was opened.

Table: 2.5.2**Type of Case Closure (2000-2004)**

| Type of Closure | 2000 | 2001 | 2002 | 2003 | 2004 | Totals |
|------------------------------|-------------|-------------|-------------|-------------|-------------|---------------|
| Case Conciliated | 0 | 0 | 0 | 0 | 2 | 2 |
| No Probable Cause | 0 | 4 | 0 | 1 | 0 | 5 |
| Withdrawn | 1 | 0 | 0 | 1 | 0 | 2 |
| Unable to Locate Complainant | 1 | 0 | 0 | 0 | 0 | 1 |
| Lack of Jurisdiction | 0 | 0 | 0 | 0 | 1 | 1 |
| Totals | 2 | 4 | 0 | 2 | 3 | 11 |

Source: U.S. Department of Housing and Urban Development – Fort Worth Regional Office

Fair housing complaint information was also received from the Texas Workforce Commission(TWC)–Civil Rights Division (the state FHAP) and shows a breakdown of complaints filed for Amarillo from January 1, 2000 through June 1, 2005. Some complaints filed with TWC may be a duplicate of the cases filed with HUD. Without specific names and details of the cases it is hard to judge if complaints are of a dual filing. Six complaints were filed according to one or more of seven bases, including; National Origin, Color, Religion, Familial Status, Handicap, Sex, or Race. Table 2.5.3, below, shows the breakdown. Table will not equal total complaints due to multiple bases cited.

Table: 2.5.3**Fair Housing Complaints (2000-2005)**

| Protected Class | Race/ Color | National Origin | Familial Status | Handicap | Sex | Religion | Totals |
|------------------------|--------------------|------------------------|------------------------|-----------------|------------|-----------------|---------------|
| 2000 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| 2001 | 0 | 0 | 1 | 2 | 2 | 0 | 5 |
| 2002 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2003 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| 2004 | 0 | 1 | 1 | 0 | 1 | 0 | 3 |
| Totals | 0 | 1 | 2 | 2 | 5 | 0 | 10 |

Source: Texas Workforce Commission – Civil Rights Division

2.6 Conclusions and Implications for Fair Housing Barriers

The State of Texas and the City of Amarillo both have fair housing laws that are substantially equivalent to the federal Fair Housing Act. Fair housing enforcement is provided through the Texas Workforce Commission – Civil Rights Division, the state FHAP. They are mandated by HUD to investigate fair housing complaints and work to educate the community and housing professionals on fair housing issues throughout the entire state. The City of Amarillo is the only resource that continuously and consistently does Fair Housing Outreach and Education initiatives locally. Since, the current level of complaints is comparatively low, this indicates that potential complainants may not be aware of their rights under fair housing law. Over the past five years, a total of 11 complaints have been received and investigated through HUD and the TWC - Civil Rights Division.

Amarillo currently receives over \$3 million per year in Community Development Block Grant and HOME entitlements. The City of Amarillo operates housing programs funded with these allocations and works to address housing priorities defined in the Consolidated Plan. The housing priorities include:

1. Lower income renter households should have opportunities to live in decent, safe, and affordable housing of their choice.
2. Low and moderate-income homebuyers should have the opportunity and ability to live in decent, safe, and affordable housing of their choice.
3. Low and moderate-income homeowners should live in and be able to maintain housing that is safe and affordable.

A review of Amarillo's municipal codes reveals that the City has a Fair Housing Ordinance and no impediments were identified in the City's building codes.

Interviews and Focus Group Sessions

Overview

This section is a report of focus group sessions and interviews held in Amarillo, Texas in April 2005 at various locations throughout the community. A total of seven sessions were held, with invitations sent to residents and industry professionals. These sessions were designed to gather input about their experiences with fair housing and the housing market, and to solicit suggestions concerning possible remedial actions to address impediments to fair and affordable housing.

Introduction

Interviews and focus group sessions build an effective and ongoing relationship with all the different groups of the community by facilitating an exchange of concerns, ideas, analysis, and evaluation of problems and solutions as it relates to fair housing and fair housing choice.

The seven sessions that were held throughout in Amarillo included four targeted groups. The four targeted were municipal staff and leaders, community representatives, housing industry professionals, and non-profit organizations.

As part of the report's methodology, the information gathered through interviews and focus groups sessions is used to find additional areas/topics that might need further investigation for a thorough analysis. Many times, people may not have a pulse on the issues faced by the low and moderate-income population when trying to rent and buy housing in Amarillo. Therefore, information and opinions received from non-profits, realtors, lenders, builders, and the citizens themselves can help the City confirm barriers to affordable housing and target their efforts to overcome the barriers. In addition, professionals who are in the field everyday and see the situations first hand can offer creative solutions. This process creates buy-in and builds consensus among community members and helps to spur partnerships between the public and private organizations.

3.1. Focus Group Sessions

Focus group sessions were held in Amarillo, Texas on April 5th, 6th, and 7th of 2005. A total of seven sessions were held, including four with various community representatives, one with professionals of the local housing industry, one with non-profit organizations, and one with staff from the City of Amarillo. Attendees were invited by the City based on their knowledge of the local housing environment. Prior to the focus group sessions, key person interviews were conducted to provide a preview of issues that might be broached in the focus groups and to get a better sense of the local housing market. A list of attendees and key interviews is included at the end of this section.

During the interviews and the focus group sessions many perceived barriers were discussed, along with recommendations and ideas to remove the impediments to fair and equal housing; therefore this write-up will contain two sections. Findings will include all of the observed issues, problems, and effects impeding fair housing and fair housing choice in Amarillo. The last section of the report, Solutions, gives all of the recommendations suggested throughout the focus group sessions and interviews.

It should be noted that the methodology employed in the focus group sessions was not designed to provide a statistically representative set of observations about the Amarillo housing market. Conclusions drawn here are to be recognized as the observations of a select group of individuals, picked for their knowledge of the local market.

3.2. Findings

Discussion in the fair housing focus group sessions spanned numerous issues but the following themes were touched on repeatedly:

- Availability of decent, safe, and affordable housing
- Limited Incomes
- Poor Credit – Financial Literacy
- Landlord / Tenant Disputes
- Negative Perception
- Education of Fair Housing Rights

The topic that broached the most discussion, which seemed to be the outcome of several different root issues discussed during the focus group process, was the lack of decent, safe, and affordable housing units within North and Central Amarillo. Many in the focus groups agreed that while there is an ample supply of houses in the current housing stock, within the affordable sector of the market there is a lack of decent housing. Many low to moderate-income citizens pay large sums of money for substandard living conditions. Some participants even stated that it is not uncommon for this income population to pay \$500 - \$600 for housing that is an unsuitable, unhealthy living environment. It was said that one of the growing segments of the population in great need for housing was the elderly population. As their income becomes limited and fixed and their health expenses increase, many do not have the income to afford their mortgages, general maintenance of their houses, or property taxes.

Participants indicated that the limited incomes in Amarillo are a barrier to affordable housing. Many felt that since the service industry is the largest employer of the low to moderate-income population incomes have not kept up with inflation in the housing market. In addition, it was strongly stated that HUD fair market rents have not kept up with the inflating housing market. This causes the market for affordable,

decent, and safe living units to be very competitive. When demand is high and supply is short this can drive up prices (or asking rents). Single women with children were mentioned as a subpopulation that faces this obstacle of inflated prices for substandard living units.

Participants indicated that a lack of credit education is a major factor in many households' inability to borrow for home purchases. While affordable home ownership options are a need for the very low and low income population, credit continues to be a barrier in finding qualified applicants. The homebuyer assistance program and some non-profit builders require purchasers to take a homebuyer's education class and/or credit counseling prior to loan origination. While these classes are helpful to the households looking to buy a home, it was felt that there is a wider population that has a need for financial education, either to correct deficiencies in their credit history or to provide a solid foundation that could prevent future financial problems. Credit was seen as one barrier that limits the housing choices of citizens of Amarillo. Lenders and developers feel that they cannot find qualified buyers in the lower income groups, especially those below 50 percent of the Median Family Income. For example, one affordable housing development started in 2002, finding qualified buyers. For the Hispanic population, lack of credit was seen as a barrier comparable to poor credit because often individuals do not have the needed documentation required for a mortgage.

Currently, tenant and landlord disputes have no outlet for resolution unless the renter is income eligible for the local Legal Aid in Amarillo. Since there is a large demand for affordable housing, and credit is an issue for many low-income residents, this leaves many renters vulnerable to negligent landlords. It was said from numerous organizations that the major complaints they hear are about tenant and landlord disagreements. While landlords can receive help and education from the Apartment Association of the Panhandle, there are no tenant rights associations that specifically handle landlord/resident relations and disputes. Tenants that qualify for Legal Aid can seek help there but Legal Aid is limited to "non-fee generating" cases. In many cases this excludes landlord retaliation issues. With low and

moderate-income rental housing the landlord does not want to keep up the maintenance on the housing, while the tenant either does not know his/her rights or they are afraid to complain in fear of retaliation from the landlord. Participants stated that the large amount of absentee property owners and slumlords make it difficult for the low and moderate-income population to find decent, safe, and affordable housing. It was felt that the local and state regulations and laws do not help enforce tenant rights because there are no strong penalties for landlord retaliation.

It was mentioned that negative media marketing and a negative perception of older low-income neighborhoods are a barrier to housing choice in Amarillo. This perception leads to disinvestment in low-income neighborhoods; therefore, denying these neighborhoods access to quality of life conveniences such as retail, bank access, and local small businesses. Also, many said that realtors will steer clients away from disinvested neighborhoods regardless of the client's preference for housing. This also adds to a negative perception of the school districts. Those schools in disinvested, lower-income neighborhoods are thought of as less academically capable schools, which is proven wrong when the test results are compared.

Lack of education about fair housing laws, rights, and resources was mentioned as a barrier. Not only is education an issue for citizens, but industry professionals also lack knowledge of the City's current resources. According to participants, when an incident occurs most do not know where to turn to make a complaint. Those who do know how to file a complaint are not sure what is covered by the law or if their situation is a fair housing violation. Most minorities with housing complaints who are aware that their rights have been violated usually call national groups such as the National Association for the Advancement of Colored People (NAACP) or League of United Latin American Citizens (LULAC). Many are not comfortable calling the City when they think their rights have been violated. These groups direct fair housing complaints and landlord/tenant issues to the Texas Workforce Commission – Civil Rights Division or directly to the regional HUD office.

Other issues that were mentioned by focus group participants included NIMBY (not-in-my-back-yard) issues, too many amenities in affordable housing products (which increase the cost), deed restrictions, limited public transportation hours, weak ordinances for exterior maintenance, housing issues of the immigrant population, realtors not interested in selling low-income housing, waiting list for Section 8 vouchers, transportation issues specifically related to the disabled community, lack of new low to moderate-income rental housing, self-segregation within the city, lack of a national builder, crime and drugs, bureaucracy, lack of transitional housing for substance abuse treatment and the homeless, steering, and lack of housing to encourage young families into North Amarillo.

3.3. Solutions

Focus group participants suggested some solutions to problems discussed above. Education was a consistent theme among focus groups. Financial education in the public schools was suggested to address financial literacy issues. As suggested by focus group participants, it would be most beneficial to develop a class in the public schools that provides students with the basics of consumer education and prepares them for life after graduation.

Education was also the missing link with a number of other issues mentioned during the interviews and focus group sessions. Education about affordable housing could resolve many objections to developing affordable housing. Education on municipal resources such, as code enforcement polices and rehabilitation housing programs will solve some of the current problems. Some people stated that education is the key to fair housing. The majority of the participants felt that the average citizen in Amarillo does not know his/her rights under the Fair Housing Act. Many people do not know their rights and are hesitant to come forward in fear of retaliation. A local advocacy group that focuses solely on addressing the housing needs of the low and moderate-income citizens was suggested. This group can serve as a local resource for all.

Participants thought that if you encourage partnerships and incentives with large builders, the builders will begin to offer more lower-end housing choices. A solution offered was to create a better information network. Some felt that if subsidies can not be given to the builder, subsidies should be given to the very low and low-income homeowner to reduce the loan principal or property taxes. It was also mentioned that since the school districts take such a strong role in Amarillo, that they should be included in a partnership with the builder and the City.

Alternative bus solutions were suggested since some attendees felt that the hours of operation were not sufficient, but it was noted that there does not appear to be a large demand during the daytime service hours. Also, stronger landlord/tenant laws and code ordinances were also recommended.

Interviews

Lori Johnson – Bivins Village
Valerie Barringer – Amarillo Habitat for Humanity
Susan Bowers – Catholic Family Services
George Cree – Catholic Family Services
Penelope Davies – Center City of Amarillo
Valerie Robins – Panhandle Independent Living Center
Bart Hill – Panhandle Independent Living Center
Linda Pitner – Mary E. Bivins Foundation
Joe Kirkwood – Cornerstone Outreach – County Commissioner
Prenis Williams – Amarillo United Citizens Forum
Lilia Escajeda – Amarillo National Bank
Patty Hamm – City of Amarillo Housing Administrator
Alice MacKenna – TWC – Civil Rights Division – Austin, TX
Elicia Elzondo – Amarillo National Bank
Gene Morrison – Alliance Housing Foundation
Cody Pirdle – Legal Aid of Northwest Texas

Focus Group Attendees

| | |
|-------------------------|-----------------|
| Lew Bradshaw | Dan Coffey |
| Joe Norman | Michael Rice |
| Jo Ann Cruz-Perez | Cary Finney |
| Loretta Forbis | Todd Steelman |
| Susan Bowers | Patty Hamm |
| Janette Letz | Pete Berzanskis |
| Bart Hill | Shirley Jones |
| Simyou Carpenter | Deon Coffman |
| Consuelo Martinez | Kelley Shaw |
| Belinda Gonzales Taylor | James Allen |
| Myrna Raffkind | Harold Clay |
| Barbara Davidson | Lani Hall |
| Shirley Cantu | James Savage |
| Rosalee Robinson | Tomas Bonilla |
| Diann Gilmore | Dub Davis |
| Maury Roman | Clem Whitaker |
| Charles Warford | Carol Lovelady |
| Frankie Francel | Kyle Hawles |

Alphonso Vaughn
Angela Lust
Bettye Briggs
Bobbie Alexander
Dana Woods
Grover Martin
Lisa Cherry
Nat Cantly
Roscoe Wiley
Ruby Lois Lewis
Allen Finegold
Barry Ralston
Brian Lackey
Damian Bruhn
Daniel Martinez*
Debra McCartt*
Gloria Mendoza
Jim Perkins
Julia Andrews
Margaret Solano
Martha Ramirez
Mary Jane Nelson
Terri Stavenhagen*
Toni Griego
Willie Mendoza
Zelma Milner
Anthony Pennington
Barbara Davidson
David Catsugo
Jody Catsugo
David "Butch" Fomler
Erma Heidebrecht
Ethel Clark
Georgette Lewis

Isabel Camarillo
Janette Kelley
JoAnn Sandoval
Joe Dillard
Joe Underwood
Joshua Jentsch
Juanie Robinson
Karen Diaz-Green
Larry Azen
Linda Mays
Mary Pennington
Patience Underwood
Rosalee Robinson
Shirley Fomler
Audrey Dickey
Brenda Mobley
Cal Hunt
Camela Smith
Daniel Leal
Lonita Leal
Dara Woods
DaShawn Hendrix
Lois Carleton
Mitch Woodard
Newton Carleton
Rita Saldierna
Shirley Benton-Hunt
Tacha Hendrix
Terry Cooper

* City Commissioner

Home Mortgage Disclosure Act Data and Fair Housing Index

Overview

This section is made up of two parts; an analysis of Home Mortgage Disclosure Act (HMDA) data for the City of Amarillo and an analysis of a fair housing index created for this report. Analysis of the HMDA data provides a glimpse into lending practices in Amarillo. The data report federally-insured mortgage lending, conventional lending, refinancing, and home improvement loans. It was analyzed by income group, geography, and racial group. The fair housing index constructed for this study is an attempt to localize geographical areas of concern. Ten variables were standardized and studied to concentrate attention on those areas of Amarillo that were most vulnerable to fair housing violations.

4.1. Home Mortgage Disclosure Act (HMDA) Data Analysis

Introduction

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The FFIEC provides the HMDA databases and retrieval software on compact disk. Data can be summarized within the software package or downloaded in its raw form for analysis. For this analysis, the FFIEC databases were utilized for 1997 through 2003.

The data reported here are summarized by a variety of methods. Tables 4.1.1, 4.1.2, and 4.1.4 provide information for Amarillo Metropolitan Statistical Area (MSA) as a whole. Tables 4.1.3, 4.1.5, and 4.1.6 and the charts present the data by census tract income groups. The maps provided at the end of this section present data according to census tract for the Amarillo MSA, with an outline of the city limits provided for reference.

Analysis

Table 4.1.1 examines home loan activities in the MSA. Data are presented by loan type, ethnicity, income of the census tract, and loan purpose. White applicants represented the largest number of loan applicants at 58,196. Origination rates (the percentage of applications that result in loans being made) for Whites exceeded 61 percent. Hispanics were the next largest applicant group with 10,098 applications submitted and an origination rate of over 47 percent. Asian origination rates were slightly more than 57 percent, but with only 927 applications reported. The African-American origination rate was just over 43 percent with 2,095 applications. High-income applicants showed both the highest number of applications, at over 49,800, and the highest origination rate, at over 61 percent. Both the number of applications and the origination rates drop significantly for all other income groups, with just over 10,450 applications from middle-income applicants and a nearly 49 percent origination rate. Conventional loans account for the largest number of applications for loan type with 74,181 applications, and an origination rate of over 50 percent. Home purchase loans show the highest number of applications for loan purpose, at 48,635, and with an origination rate of nearly 50 percent.

Table 4.1.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages were taken within each category, comparing the number of originations to the percentage of applications that result in loan originations for the entire population. For example, the first percentage shown under loan type in the “Percent” column indicates that 79.36 percent of originations in Amarillo were conventional loan originations. For comparison, ethnic percentages were included under the “Percent of Population” column to compare the percentage of originations by ethnic group to their percentage representation in the population.

For Loan Type, “Conventional” showed the highest percentages, with over 79 percent of all originations. FHA loans, which are government insured and have more stringent lending criteria, were about 17 percent of the originations. Referencing back to Table 4.1.1, on page 86, government insured loans had a slightly lower origination rate than conventional, with approximately 48.7 percent for government insured versus an estimated 50 percent for conventional.

For Ethnicity, the White category showed the highest percentage of originations at about 76 percent of the total. The percentage of Whites in the population was over 71 percent. Hispanic applicants accounted for about 10 percent of originations, while their presence in the population was nearly 20 percent of all residents. African-American applicants represented 1.9 percent of originations with 5.5 percent of the total population. Asian applicants accounted for 1.1 percent of all originations, with 1.9 percent of the total population. The data from the income profile subpart of the Community Profile section suggest that Blacks and Hispanics were more likely to fall within lower-income groups and this analysis suggests that the population in the lower-income group is less likely to qualify for mortgage financing. Therefore, the minority population in Amarillo is less likely to qualify for a mortgage loan.

A review of income data shows that the highest income group (>120% median) displayed the highest percentage of originations, nearly 69 percent of all originations.

Loan Purpose data showed that home purchase loans accounted for the highest percent of originations at about 51 percent and the most frequent loan purpose. Refinance loans were cited as the second most frequent purpose loans, at 40 percent. Home improvement loans accounted for 8.6 percent of all originations.

Table 4.1.3 examines the HMDA data more closely with respect to the possibility of redlining within Amarillo. Redlining relates to the avoidance of certain

locations by mortgage lenders in response to undesirable characteristics of the area. Assuming that these negative characteristics can be represented by the lowest income census tracts (<51% median in the tables), a comparison of origination rates within these tracts to higher income tracts offers evidence to support the possibility of redlining.

Origination rates for Amarillo indicate that Very Low-Income applicants (<51% median income) were successful in obtaining mortgage loans 33.1 times per 100 loan application submissions, Low-Income applicants (51-80% median income) were successful 40.8 times per 100 submissions, Moderate-Income applicants (81-95% median income) had an origination success ratio of 46.9 percent, Middle-Income applicants (96-120% median income) had a 48.6 success ratio, and High-Income applicants (>120% median income) had a 61.1 percent success ratio. When isolating the Very Low-Income census tracts, the origination rates change, dramatically, in the case of Very Low-Income applicants. In Very Low-Income tracts, Very Low-Income applicants generated originations only 25.6 percent of the time, a 7.5 percentage point decline from their overall success in the city. While it might be expected that very low-income applicants may have lower success rates, higher-income applicants in very low-income tracts experienced much lower rates, as well. High-Income applicants in very low-income tracts had a 37 percent origination rate, nearly 24 percentage points lower than in the city overall.

Comparing Very Low-Income tracts to High-Income tracts, large differences are noted between origination and denial rates. Within High-Income tracts, Very Low-Income applicants generated a 33.9 percent origination rate, 8.3 percentage points higher than Very Low-Income applicants in the Very Low-Income tracts. High-Income applicants generated a 66.8 percent origination rate within High-Income tracts, over 29.8 percentage points higher than in Very Low-Income tracts. Origination rates for Middle-Income applicants in High-Income tracts were 17.4 percentage points higher than in the Very Low-Income tracts. While this

analysis does not provide conclusive proof that redlining existed, it is reasonable to expect that higher-income applicants would have relatively equal origination rates across all census tracts. The large differences in origination rates between Very Low- and High-Income tracts suggest that some redlining may have occurred.

Table 4.1.4 compares origination rates between minorities and White applicants for the various loan purposes and income groups. For all loan purposes shown, White origination rates were higher than minorities. For home purchase loans, origination rates were over 60 percent for Whites and nearly 47 percent for minorities, a difference of 13.5 percentage points. White applicants for home improvement loans were successful over 16 percentage points more often than minorities. The rates for refinance loans showed a 13.7 percentage point difference.

Examining the income group comparison, minorities had origination rates 2.6 to 13.0 percentage points lower than Whites. Among the Very Low-Income group (<51% MFI), White origination rates were just 2.6 percentage points higher. In the High-Income group (>120% MFI), White origination rates were 13.0 percentage points higher. With Middle-Income applicants (96-120% MFI), White origination rates were 12.1 percentage points higher than Minorities. Within each income group, Whites and minorities are entering the loan markets with relatively equal incomes.

Tables 4.1.5 and 4.1.6 provide a detailed look at loan activity, by loan purpose, minority status, and year for Very Low- and High-Income census tracts. In the Very Low-Income tracts, the small number of loan applications provides a somewhat inconsistent view of mortgage activity. Origination rates were relatively low in nearly all cases, although home improvement loans among minorities, while fairly low in number, showed somewhat higher origination rates. The same proved to be true for refinance loans for Whites. Table 4.1.6 shows

higher origination rates for White applicants than Minorities during the seven year period covered by the report, for all loan purposes in the high-income tracts. Chart 4.1.1 provides a look at origination rates by census tract income for the loan types: conventional, FHA, and VA. As would be expected, government insured loans had higher origination rates in all income groups except High-Income groups. Conventional origination rates closed the gap as incomes rose and reached nearly 60 percent in High-Income tracts.

Chart 4.1.2 shows origination rates by ethnicity and income of the census tract. In Very Low-Income and Moderate-Income tracts, White rates are exceeded by Asians. In Very Low-Income tracts, Native American origination rates were the highest among all races While Asian and Native American rates are sometimes higher than White rates, these rates were based on relatively low numbers of applications. African-American origination rates exceeded Hispanic rates only in Moderate-Income tracts.

Chart 4.1.3 looks at origination rates by the income of the applicant and the income of census tracts. As would be expected, higher income applicants had higher origination rates. As mentioned earlier, the suggestion of redlining can be seen in the much lower origination rates of similar income individuals in lower income tracts, where high-income applicants did not have as high an approval rate as lower income applicants in higher income tracts.

Chart 4.1.4 looks at origination rates by loan purpose and income of the census tract. Applications for all loan types had a higher success rate as the tract income increases, peaking at almost 65 percent of home improvement loans for the High Income tracts. Home improvement loans showed the highest origination rates in all income tracts. In Very Low- and Middle- income tracts, refinance loans showed marginally higher origination rates than home purchase loans. In Low-, Moderate- and High- income tracts, home purchase loans showed marginally higher origination rates than refinance loans.

Chart 4.1.5 examines the percentage of originations by ethnicity within tract income groups. In the Very Low-Income tracts, African-American applicants received about 15 percent of the originations. In all tract income groups, White applicants had the most originations of any ethnic group, with over 80 percent in the High-Income tracts. In all tract income groups, the percent of originations of Hispanics exceeded African-Americans, with over 30 percent in Very Low-income group.

Chart 4.1.6 looks at the percentage of originations by applicant income within tract income groups. In all tracts, High-Income applicants received the highest number of loans, reaching about 80 percent of originations in the High-Income tracts.

Chart 4.1.7 shows the percentage of originations going to the various loan purposes within tract income groups. In all tract income groups, home purchase loans account for the most loan activity and refinance loans provide the second most active loan purpose.

Maps 4.1.1 and 4.1.3 through 4.1.7 look at loan activity by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest red indicate those areas where at least 100 applications are denied for every 100 applications that are originated. The medium red areas indicate those areas where between 75 and 100 applications are denied for every 100 applications originated. The mauve areas show 50 to 75 applications were denied for every 100 applications originated. The pink areas show 0 to 50 applications were denied for every 100 applications originated.

Map 4.1.2 shows the total number of loan originations by census tract. Less active areas are shown in the lighter colors, with the most active areas in dark red. Unlike the other maps, the light areas are meant to indicate areas of

concern, either for a lack of loan activity or for their low rate of application originations in relation to denials.

A look at reasons for denial showed that the majority related to the applicants' credit history or their debt-to-income ratio. About 5,500 denials were related to the applicants' credit history during the seven years of the study. Over 1,900 denials were related to the applicants' debt-to-income ratio and nearly 1,300 denials were attributed to insufficient collateral, and in those same years. Other possible reasons for unsuccessful loan originations included incomplete applications, employment history, mortgage insurance denied, unverifiable information, and insufficient cash for down payment and/or closing costs.

Conclusions

Across all income levels, there is a trend of higher origination rates in the census tracts of higher income. The origination rates of high-income applicants in very low-income tracts are less than the origination rates of very low-income applicants in high-income tracts. While this analysis offered here does not provide conclusive evidence of fair housing impediments, it would appear that lenders might be reluctant to lend in those communities in Amarillo.

Overall, the number of loan applications and the percentage of loans originated among Whites is much higher than minorities. The origination rates in Asians exceeded Hispanics and African-Americans. Hispanics accounted for the second highest number of applications after Whites.

The least success in lending was found in the home purchase loan sector and the highest success was found in home improvement loan sector. Majority of the loan denials were related to the applicants' credit history between 1997 and 2003. Very low origination rates were found in most areas and through most income groups.

Overall, the mortgage markets seem to be growing vigorously, providing new opportunities for borrowers to buy housing or refinance existing higher interest loans. Lower interest rates appear to have had a big impact on lending activity in the city.

Table 4.1.1

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Applications and Origination Rates
Amarillo MSA
1997 - 2003**

| | Number Of Applications | Origination Rate |
|--------------------------|-----------------------------------|-----------------------------|
| Loan Type: | | |
| Conventional | 74,181 | 50.29% |
| FHA | 16,596 | 48.67% |
| VA & Other | 3,245 | 50.05% |
| Ethnicity: | | |
| Native | 382 | 54.19% |
| Asian | 927 | 57.07% |
| Black | 2,095 | 43.01% |
| Hispanic | 10,098 | 47.37% |
| White | 58,196 | 61.54% |
| Other | 664 | 46.99% |
| Not Provided | 13,783 | 30.39% |
| Unknown | 7,877 | 3.38% |
| Income: | | |
| <51% median (very low) | 3,507 | 33.13% |
| 51-80% median (low) | 10,769 | 40.82% |
| 81-95% median (moderate) | 6,537 | 46.93% |
| 96-120% median (middle) | 10,453 | 48.59% |
| >120% median (high) | 49,837 | 61.09% |
| Loan Purpose: | | |
| Home Purchase | 48,635 | 49.54% |
| Home Improvement | 7,792 | 51.73% |
| Refinance | 37,492 | 50.15% |
| Multifamily Dwelling | 103 | 75.73% |
| Totals | 94,022 | 49.99% |

Table 4.1.2

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
Amarillo MSA
1997 - 2003**

| | Origination Rate | Percent of Originations | Percent of Population |
|--|-----------------------------|------------------------------------|----------------------------------|
| Loan Type: | | | |
| Conventional | 37,302 | 79.36% | |
| FHA | 8,077 | 17.18% | |
| VA & Other | 1,624 | 3.46% | |
| Ethnicity: | | | |
| American Indian and Alaska Native | 207 | 0.44% | 0.55% |
| Asian | 529 | 1.13% | 1.85% |
| Black | 901 | 1.92% | 5.46% |
| Hispanic | 4,783 | 10.18% | 19.61% |
| White (non-Hispanic) | 35,816 | 76.20% | 71.11% |
| Other | 312 | 0.66% | 1.42% |
| Not Provided | 4,189 | 8.91% | |
| Unknown | 266 | 0.57% | |
| Income: | | | |
| <51% median | 1,162 | 2.63% | |
| 51-80% median | 4,396 | 9.96% | |
| 81-95% median | 3,068 | 6.95% | |
| 96-120% median | 5,079 | 11.50% | |
| >120% median | 30,447 | 68.96% | |
| Loan Purpose: | | | |
| Home Purchase | 24,092 | 51.26% | |
| Home Improvement | 4,031 | 8.58% | |
| Refinance | 18,802 | 40.00% | |
| Multifamily Dwelling | 78 | 0.17% | |
| Totals | 47,003 | | |

Table 4.1.3**Analysis of Home Mortgage Disclosure Act Data, 1997-2003****Analysis of Redlining in Very Low-Income Census Tracts**

| | # of Apps. | % Orig. | % Denied |
|--|-------------------|----------------|-----------------|
| Very Low-Income Tracts | | | |
| <51% median | 203 | 25.62% | 56.16% |
| 51-80% median | 472 | 29.87% | 45.55% |
| 81-95% median | 199 | 31.16% | 40.70% |
| 96-120% median | 247 | 36.44% | 37.65% |
| >120% median | 610 | 37.05% | 36.72% |
| Unknown | 135 | 23.70% | 14.81% |
| High-Income Tracts | | | |
| <51% median | 437 | 33.87% | 41.65% |
| 51-80% median | 1,613 | 44.70% | 30.32% |
| 81-95% median | 1,252 | 52.64% | 25.24% |
| 96-120% median | 2,576 | 53.84% | 20.85% |
| >120% median | 20,604 | 66.83% | 11.29% |
| Unknown | 4,646 | 24.84% | 2.91% |
| Difference Between High and Very Low Tracts (percentage point difference) | | | |
| <51% median | | 8.25 | -14.51 |
| 51-80% median | | 14.83 | -15.23 |
| 81-95% median | | 21.48 | -15.46 |
| 96-120% median | | 17.40 | -16.80 |
| >120% median | | 29.78 | -25.43 |
| Unknown | | 1.14 | -11.90 |
| Origination Rates for MSA | | | |
| <51% median | 3,507 | 33.13% | |
| 51-80% median | 10,769 | 40.82% | |
| 81-95% median | 6,537 | 46.93% | |
| 96-120% median | 10,453 | 48.59% | |
| >120% median | 49,837 | 61.09% | |

Table 4.1.4
Analysis of Home Mortgage Disclosure Act Data

HMDA Activity for Amarillo MSA, 1997 - 2003

| | # Apps. | % of Apps. | % Denied | % Orig. |
|-------------------------------|-------------------|---------------------|-----------------|----------------|
| Home Purchase Loans | | | | |
| Minorities | 8,093 | 16.64% | 26.84% | 46.82% |
| White | 31,171 | 64.09% | 18.31% | 60.29% |
| Not Provided | 9,371 | 19.27% | 11.90% | 16.11% |
| Home Improvement Loans | | | | |
| Minorities | 1,809 | 23.22% | 38.86% | 46.21% |
| White | 4,623 | 59.33% | 25.63% | 62.30% |
| Not Provided | 1,360 | 17.45% | 49.26% | 23.16% |
| Refinance Loans | | | | |
| Minorities | 4,263 | 11.37% | 26.48% | 49.43% |
| White | 22,353 | 59.62% | 13.80% | 63.10% |
| Not Provided | 10,876 | 29.01% | 24.23% | 23.81% |
| All Loan Purposes | | | | |
| Minorities | 14,166 | 15.07% | 28.27% | 47.52% |
| White | 58,196 | 61.90% | 17.16% | 61.54% |
| Not Provided | 21,660 | 23.04% | 20.43% | 20.57% |
| Income Groups | | | | |
| <51% MFI | | | | |
| Minorities | 978 | 27.89% | 43.35% | 35.69% |
| White | 1,880 | 53.61% | 41.76% | 38.30% |
| Not Provided | 649 | 18.51% | 53.31% | 14.33% |
| 51 to 80% MFI | | | | |
| Minorities | 3,109 | 28.87% | 35.86% | 40.11% |
| White | 6,060 | 56.27% | 30.41% | 46.25% |
| Not Provided | 1,600 | 14.86% | 46.00% | 21.63% |
| 81 to 95% MFI | | | | |
| Minorities | 1,461 | 22.35% | 34.22% | 41.41% |
| White | 4,057 | 62.06% | 24.67% | 53.71% |
| Not Provided | 1,019 | 15.59% | 38.67% | 27.87% |
| 96 to 120% MFI | | | | |
| Minorities | 1,982 | 18.96% | 31.03% | 43.69% |
| White | 6,737 | 64.45% | 22.19% | 55.81% |
| Not Provided | 1,734 | 16.59% | 36..22% | 26.12% |
| >120% MFI | | | | |
| Minorities | 5,858 | 11.75% | 22.21% | 54.66% |
| White | 36,273 | 72.78% | 12.86% | 67.61% |
| Not Provided | 7,706 | 15.46% | 27.41% | 35.30% |
| Not Provided | | | | |
| Minorities | 778 | 6.02% | 6.43% | 59.51% |
| White | 3,189 | 24.68% | 6.21% | 57.35% |
| Not Provided | 8,952 | 69.29% | 2.33% | 6.42% |
| Demographics | | | | |
| | % Minority | % Owner Occ. | % Vacant | |
| MSAwide | 28.89% | 65.23% | 6.67% | |

**Table 4.1.5: Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Amarillo MSA -- Very Low Income Tracts, 1997 - 2003**

| | | # Apps. | % of Year | % Denied | % Orig. |
|-------------------------------|------|---------|-----------|----------|---------|
| Home Purchase Loans | | | | | |
| Minorities | | | | | |
| | 1997 | 83 | 52.20% | 42.17% | 25.30% |
| | 1998 | 59 | 33.71% | 37.29% | 32.20% |
| | 1999 | 71 | 52.21% | 53.52% | 30.99% |
| | 2000 | 100 | 60.61% | 46.00% | 26.00% |
| | 2001 | 55 | 52.38% | 43.64% | 36.36% |
| | 2002 | 122 | 42.81% | 46.72% | 29.51% |
| | 2003 | 20 | 45.45% | 10.00% | 55.00% |
| White | | | | | |
| | 1997 | 63 | 39.62% | 46.03% | 31.75% |
| | 1998 | 83 | 47.43% | 43.37% | 44.58% |
| | 1999 | 49 | 36.03% | 55.10% | 24.49% |
| | 2000 | 44 | 26.67% | 29.55% | 52.27% |
| | 2001 | 37 | 35.24% | 24.32% | 43.24% |
| | 2002 | 142 | 49.82% | 47.18% | 25.35% |
| | 2003 | 19 | 43.18% | 5.26% | 52.63% |
| Not Provided | | | | | |
| | 1997 | 13 | 8.18% | 53.85% | 30.77% |
| | 1998 | 33 | 18.86% | 48.48% | 12.12% |
| | 1999 | 16 | 11.76% | 31.25% | 6.25% |
| | 2000 | 21 | 12.73% | 23.81% | 14.29% |
| | 2001 | 13 | 12.38% | 7.69% | 7.69% |
| | 2002 | 21 | 7.37% | 9.52% | 9.52% |
| | 2003 | 5 | 11.36% | 40.00% | - |
| Home Improvement Loans | | | | | |
| Minorities | | | | | |
| | 1997 | 28 | 65.12% | 39.29% | 32.14% |
| | 1998 | 45 | 72.58% | 46.67% | 35.56% |
| | 1999 | 35 | 63.64% | 42.86% | 37.14% |
| | 2000 | 28 | 59.57% | 17.86% | 71.43% |
| | 2001 | 18 | 62.07% | 5.56% | 77.78% |
| | 2002 | 35 | 62.50% | 40.00% | 45.71% |
| | 2003 | 15 | 83.33% | 46.67% | 46.67% |
| White | | | | | |
| | 1997 | 5 | 11.63% | 60.00% | 20.00% |
| | 1998 | 9 | 14.52% | 66.67% | 22.22% |
| | 1999 | 15 | 27.27% | 46.67% | 46.67% |
| | 2000 | 12 | 25.53% | 33.33% | 50.00% |
| | 2001 | 1 | 3.45% | 0.00% | 0.00% |
| | 2002 | 9 | 16.07% | 66.67% | 33.33% |
| | 2003 | 1 | 5.56% | 100.00% | - |
| Not Provided | | | | | |
| | 1997 | 10 | 23.26% | 50.00% | 40.00% |
| | 1998 | 8 | 12.90% | 12.50% | 25.00% |
| | 1999 | 5 | 9.09% | 20.00% | 20.00% |
| | 2000 | 7 | 14.89% | 100.00% | 0.00% |
| | 2001 | 10 | 34.48% | 50.00% | 10.00% |
| | 2002 | 12 | 21.43% | 91.67% | 0.00% |
| | 2003 | 2 | 11.11% | 0.00% | 100.00% |

Table 4.1.5(cont.): Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Amarillo MSA -- Very Low Income Tracts, 1997 - 2003

| | | # Apps. | % of Year | % Denied | % Orig. |
|--------------------------|-------------|----------------|------------------|-----------------|----------------|
| Refinance Loans | | | | | |
| Minorities | | | | | |
| | 1997 | 6 | 40.00% | 33.33% | 66.67% |
| | 1998 | 20 | 46.51% | 50.00% | 30.00% |
| | 1999 | 32 | 44.44% | 31.25% | 43.75% |
| | 2000 | 27 | 36.49% | 25.93% | 44.44% |
| | 2001 | 34 | 40.48% | 47.06% | 41.18% |
| | 2002 | 40 | 30.08% | 42.50% | 35.00% |
| | 2003 | 29 | 54.72% | 58.62% | 24.14% |
| White | | | | | |
| | 1997 | 5 | 33.33% | - | 60.00% |
| | 1998 | 11 | 25.58% | 9.09% | 90.91% |
| | 1999 | 17 | 23.61% | 23.53% | 35.29% |
| | 2000 | 17 | 22.97% | 23.53% | 52.94% |
| | 2001 | 15 | 17.86% | 26.67% | 40.00% |
| | 2002 | 15 | 11.28% | 20.00% | 40.00% |
| | 2003 | 11 | 20.75% | 18.18% | 63.64% |
| Not Provided | | | | | |
| | 1997 | 4 | 26.67% | 25.00% | 25.00% |
| | 1998 | 12 | 27.91% | 33.33% | 33.33% |
| | 1999 | 23 | 31.94% | 17.39% | 13.04% |
| | 2000 | 30 | 40.54% | 43.33% | 10.00% |
| | 2001 | 35 | 41.67% | 40.00% | 5.71% |
| | 2002 | 78 | 58.65% | 39.74% | 16.67% |
| | 2003 | 13 | 24.53% | 38.46% | 23.08% |
| All Loan Purposes | | | | | |
| Minorities | | | | | |
| | 1997 | 117 | 53.92% | 41.03% | 29.06% |
| | 1998 | 124 | 44.29% | 42.74% | 33.06% |
| | 1999 | 138 | 52.47% | 45.65% | 35.51% |
| | 2000 | 155 | 54.20% | 37.42% | 37.42% |
| | 2001 | 107 | 49.08% | 38.32% | 44.86% |
| | 2002 | 197 | 41.56% | 44.67% | 33.50% |
| | 2003 | 64 | 55.65% | 40.63% | 39.06% |
| White | | | | | |
| | 1997 | 74 | 33.94% | 44.59% | 32.43% |
| | 1998 | 104 | 36.88% | 42.31% | 47.12% |
| | 1999 | 83 | 31.20% | 45.78% | 32.53% |
| | 2000 | 73 | 25.52% | 28.77% | 52.05% |
| | 2001 | 54 | 24.43% | 24.07% | 40.74% |
| | 2002 | 168 | 35.22% | 45.24% | 27.98% |
| | 2003 | 31 | 26.96% | 12.90% | 54.84% |
| Not Provided | | | | | |
| | 1997 | 27 | 12.44% | 48.15% | 33.33% |
| | 1998 | 54 | 19.15% | 38.89% | 20.37% |
| | 1999 | 45 | 16.92% | 22.22% | 11.11% |
| | 2000 | 58 | 20.28% | 43.10% | 10.34% |
| | 2001 | 60 | 27.15% | 33.33% | 10.00% |
| | 2002 | 112 | 23.48% | 39.29% | 14.29% |
| | 2003 | 21 | 18.10% | 38.10% | 23.81% |

**Table 4.1.6: Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Amarillo MSA -- High Income Tracts, 1997 - 2003**

| | | # Apps. | % of Year | % Denied | % Orig. |
|-------------------------------|------|---------|-----------|----------|---------|
| Home Purchase Loans | | | | | |
| Minorities | | | | | |
| | 1997 | 150 | 8.33% | 24.00% | 58.67% |
| | 1998 | 161 | 8.19% | 21.74% | 59.63% |
| | 1999 | 193 | 8.96% | 19.17% | 62.18% |
| | 2000 | 173 | 8.14% | 20.81% | 54.34% |
| | 2001 | 181 | 8.20% | 10.50% | 66.30% |
| | 2002 | 217 | 10.63% | 21.66% | 54.38% |
| | 2003 | 246 | 9.85% | 20.73% | 54.07% |
| White | | | | | |
| | 1997 | 1,377 | 76.50% | 20.04% | 65.65% |
| | 1998 | 1,391 | 70.75% | 13.80% | 73.11% |
| | 1999 | 1,556 | 72.20% | 15.10% | 67.10% |
| | 2000 | 1,486 | 69.93% | 11.31% | 65.41% |
| | 2001 | 1,518 | 68.78% | 7.51% | 70.42% |
| | 2002 | 1,419 | 69.52% | 9.30% | 69.13% |
| | 2003 | 1,781 | 71.33% | 6.51% | 69.34% |
| Not Provided | | | | | |
| | 1997 | 273 | 15.17% | 3.30% | 13.92% |
| | 1998 | 414 | 21.06% | 10.63% | 11.11% |
| | 1999 | 406 | 18.84% | 3.45% | 15.27% |
| | 2000 | 466 | 21.93% | 12.23% | 22.53% |
| | 2001 | 508 | 23.02% | 7.28% | 23.03% |
| | 2002 | 405 | 19.84% | 4.69% | 20.74% |
| | 2003 | 470 | 18.82% | 5.11% | 27.23% |
| Home Improvement Loans | | | | | |
| Minorities | | | | | |
| | 1997 | 16 | 5.84% | 25.00% | 56.25% |
| | 1998 | 18 | 7.03% | 27.78% | 66.67% |
| | 1999 | 15 | 6.05% | 13.33% | 60.00% |
| | 2000 | 20 | 8.47% | 20.00% | 65.00% |
| | 2001 | 16 | 6.13% | 31.25% | 50.00% |
| | 2002 | 28 | 9.03% | 21.43% | 67.86% |
| | 2003 | 26 | 8.97% | 50.00% | 42.31% |
| White | | | | | |
| | 1997 | 211 | 77.01% | 12.32% | 77.25% |
| | 1998 | 188 | 73.44% | 15.43% | 68.62% |
| | 1999 | 198 | 79.84% | 11.62% | 73.74% |
| | 2000 | 180 | 76.27% | 14.44% | 74.44% |
| | 2001 | 204 | 78.16% | 15.69% | 75.00% |
| | 2002 | 219 | 70.65% | 19.18% | 65.75% |
| | 2003 | 233 | 80.34% | 20.17% | 68.24% |
| Not Provided | | | | | |
| | 1997 | 47 | 17.15% | 34.04% | 34.04% |
| | 1998 | 50 | 19.53% | 50.00% | 28.00% |
| | 1999 | 35 | 14.11% | 37.14% | 31.43% |
| | 2000 | 36 | 15.25% | 41.67% | 22.22% |
| | 2001 | 41 | 15.71% | 24.39% | 46.34% |
| | 2002 | 63 | 20.32% | 36.51% | 31.75% |
| | 2003 | 31 | 10.69% | 25.81% | 25.81% |

**Table 4.1.6(cont.): Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Amarillo MSA -- High Income Tracts, 1997 - 2003**

| | | # Apps. | % of Year | % Denied | % Orig. |
|--------------------------|-------------|----------------|------------------|-----------------|----------------|
| Refinance Loans | | | | | |
| Minorities | | | | | |
| | 1997 | 16 | 4.92% | 12.50% | 68.75% |
| | 1998 | 102 | 5.83% | 13.73% | 65.69% |
| | 1999 | 84 | 6.05% | 16.67% | 48.81% |
| | 2000 | 42 | 5.95% | 11.90% | 59.52% |
| | 2001 | 123 | 5.24% | 8.94% | 69.11% |
| | 2002 | 191 | 6.91% | 11.52% | 64.92% |
| | 2003 | 402 | 7.78% | 24.63% | 46.52% |
| White | | | | | |
| | 1997 | 237 | 72.92% | 10.55% | 70.89% |
| | 1998 | 1,264 | 72.23% | 10.13% | 74.37% |
| | 1999 | 898 | 64.65% | 12.69% | 61.58% |
| | 2000 | 449 | 63.60% | 18.04% | 59.69% |
| | 2001 | 1,461 | 62.25% | 8.56% | 73.99% |
| | 2002 | 1,756 | 63.53% | 8.31% | 69.08% |
| | 2003 | | | | |
| Not Provided | | | | | |
| | 1997 | 72 | 22.15% | 8.33% | 18.06% |
| | 1998 | 384 | 21.94% | 18.49% | 24.48% |
| | 1999 | 407 | 29.30% | 14.74% | 22.60% |
| | 2000 | 215 | 30.45% | 23.72% | 23.72% |
| | 2001 | 763 | 32.51% | 21.36% | 23.98% |
| | 2002 | 817 | 29.56% | 19.83% | 25.34% |
| | 2003 | 1,004 | 19.44% | 17.53% | 32.97% |
| All Loan Purposes | | | | | |
| Minorities | | | | | |
| | 1997 | 182 | 7.59% | 23.08% | 59.34% |
| | 1998 | 281 | 7.07% | 19.22% | 62.28% |
| | 1999 | 292 | 7.70% | 18.15% | 58.22% |
| | 2000 | 235 | 7.66% | 19.15% | 56.17% |
| | 2001 | 320 | 6.65% | 10.94% | 66.56% |
| | 2002 | 436 | 8.52% | 17.20% | 59.86% |
| | 2003 | 674 | 8.48% | 24.18% | 49.11% |
| White | | | | | |
| | 1997 | 1,825 | 76.07% | 17.92% | 67.67% |
| | 1998 | 2,844 | 71.57% | 12.27% | 73.38% |
| | 1999 | 2,653 | 69.94% | 14.06% | 65.70% |
| | 2000 | 2,115 | 68.96% | 13.00% | 64.96% |
| | 2001 | 3,186 | 66.09% | 8.57% | 72.32% |
| | 2002 | 3,394 | 66.35% | 9.43% | 68.89% |
| | 2003 | 5,774 | 72.59% | 10.36% | 64.29% |
| Not Provided | | | | | |
| | 1997 | 393 | 16.38% | 7.89% | 17.30% |
| | 1998 | 849 | 21.36% | 16.49% | 18.26% |
| | 1999 | 848 | 22.36% | 10.26% | 19.46% |
| | 2000 | 720 | 23.45% | 17.22% | 22.92% |
| | 2001 | 1,315 | 27.28% | 15.97% | 24.49% |
| | 2002 | 1,286 | 25.14% | 15.86% | 24.26% |
| | 2003 | 1,506 | 18.93% | 13.81% | 31.08% |

Chart 4.1.1
Origination Rates by Loan Type by Income Group of Tracts

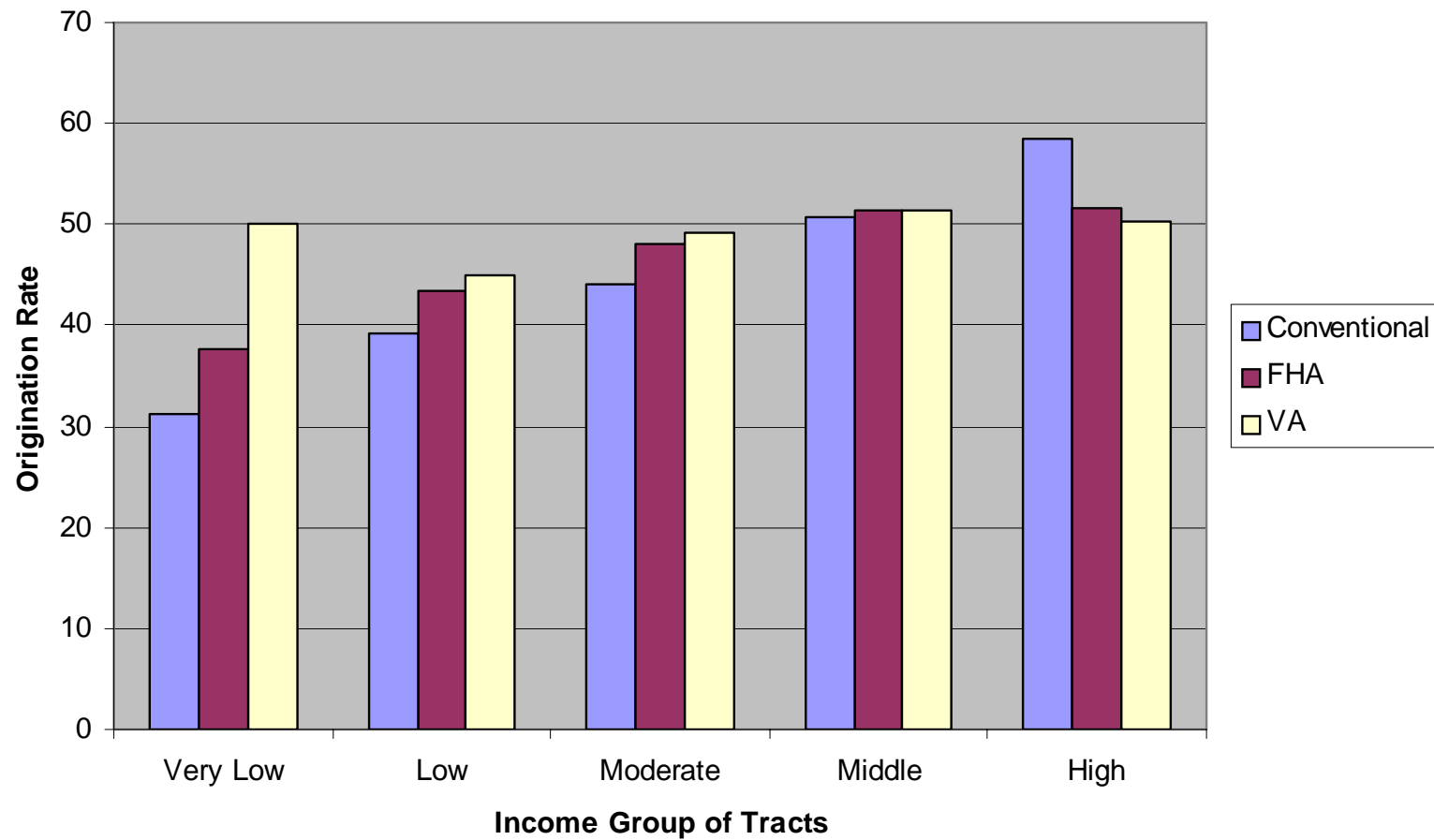


Chart 4.1.2
Origination Rate by Income Group of Census Tract
by Racial and Ethnic Characteristics

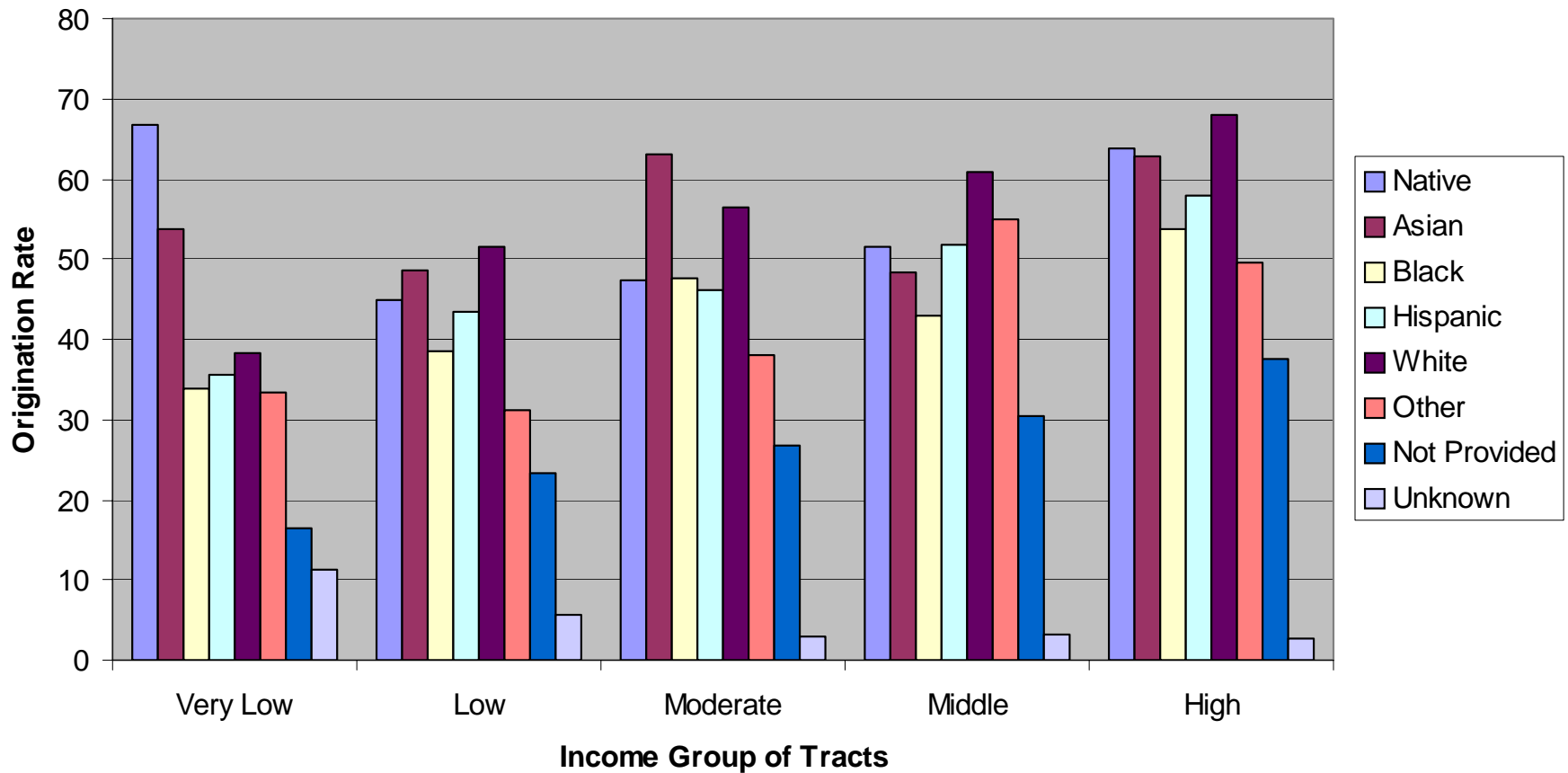


Chart 4.1.3
Origination Rates by Applicant Income by Income of Census Tract

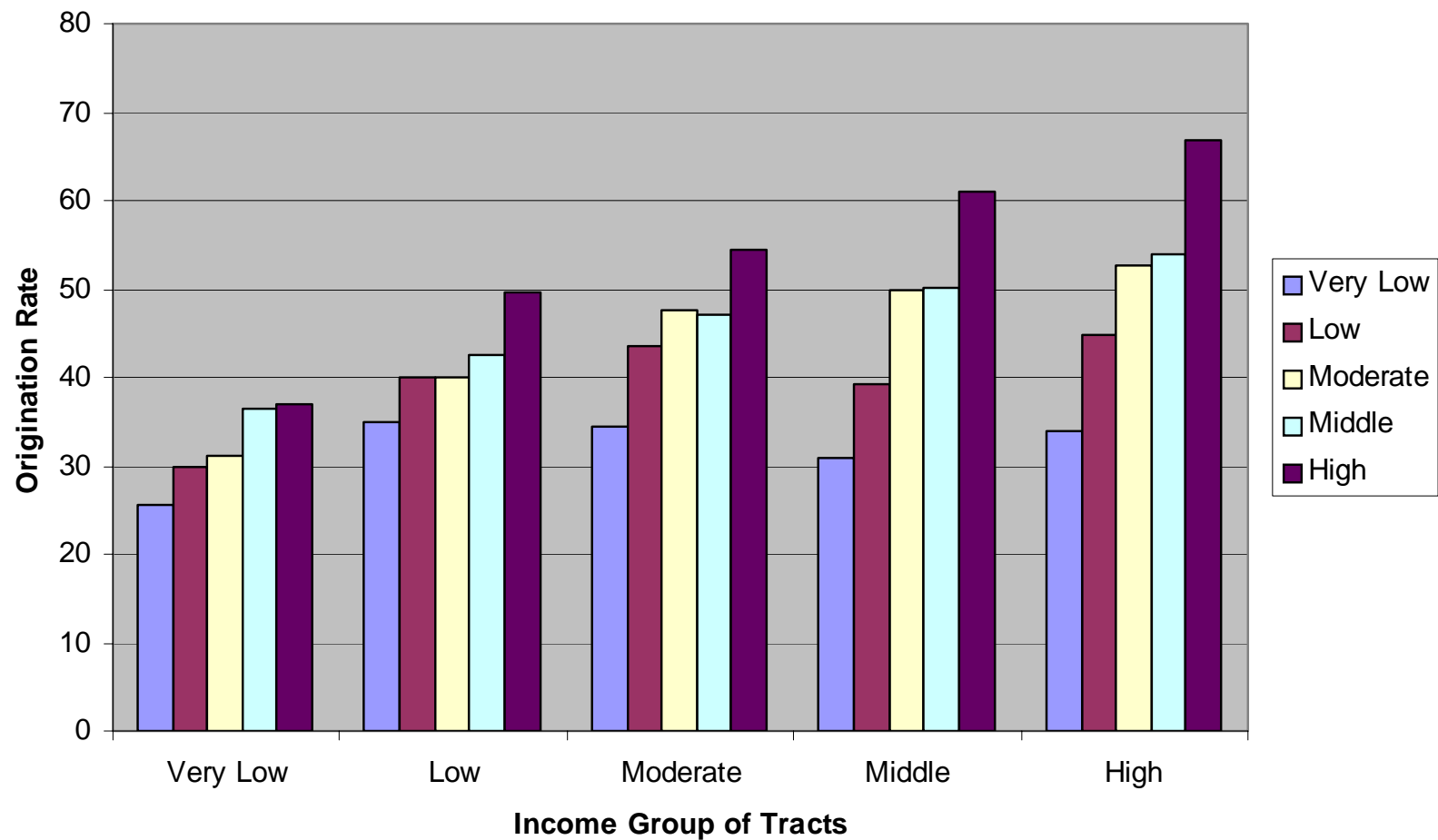


Chart 4.1.4
Origination Rates by Loan Purpose by Income of Census Tracts

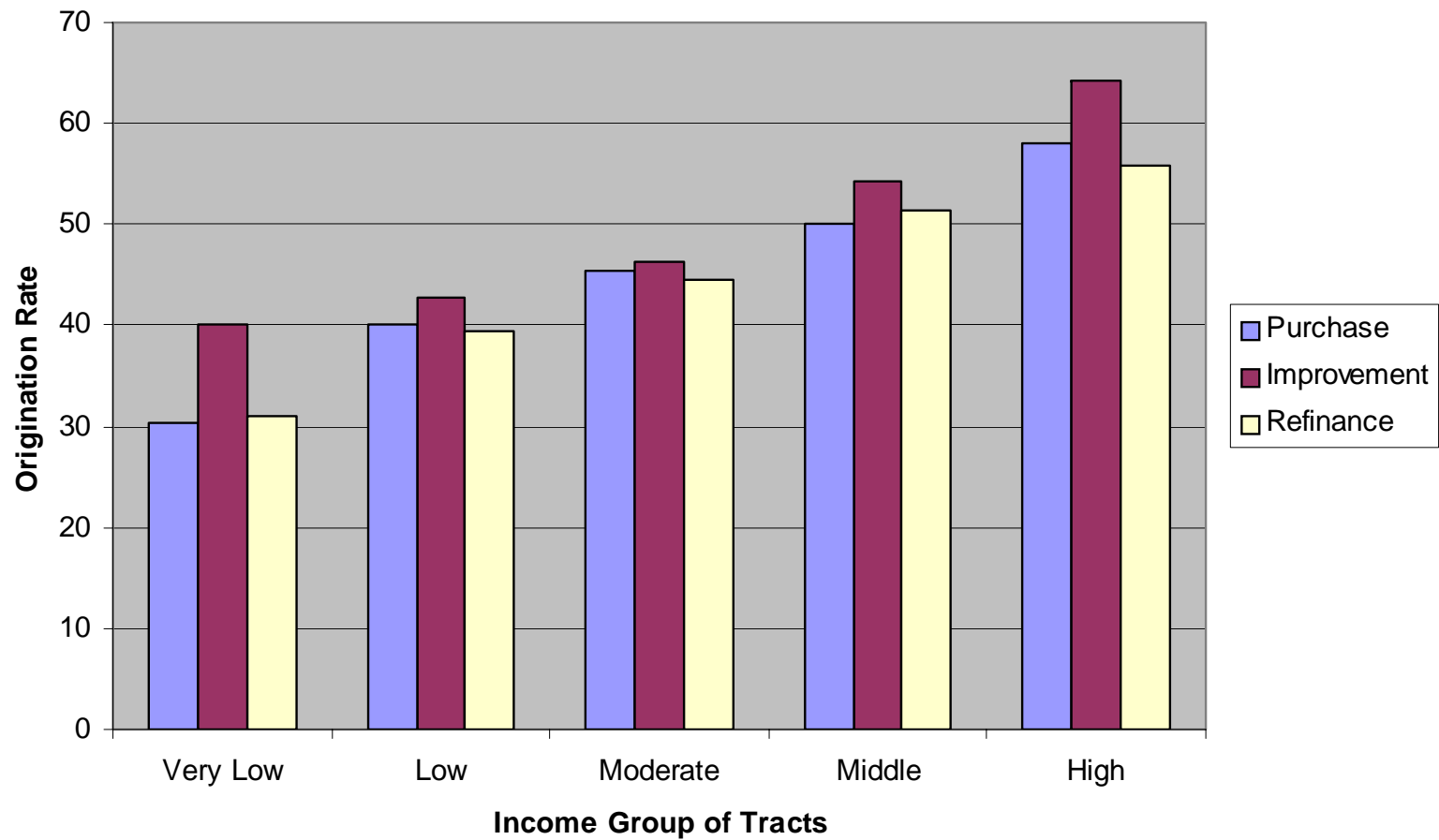


Chart 4.1.5
Percent of Originations by Income Group of Tracts
by Racial and Ethnic Characteristics

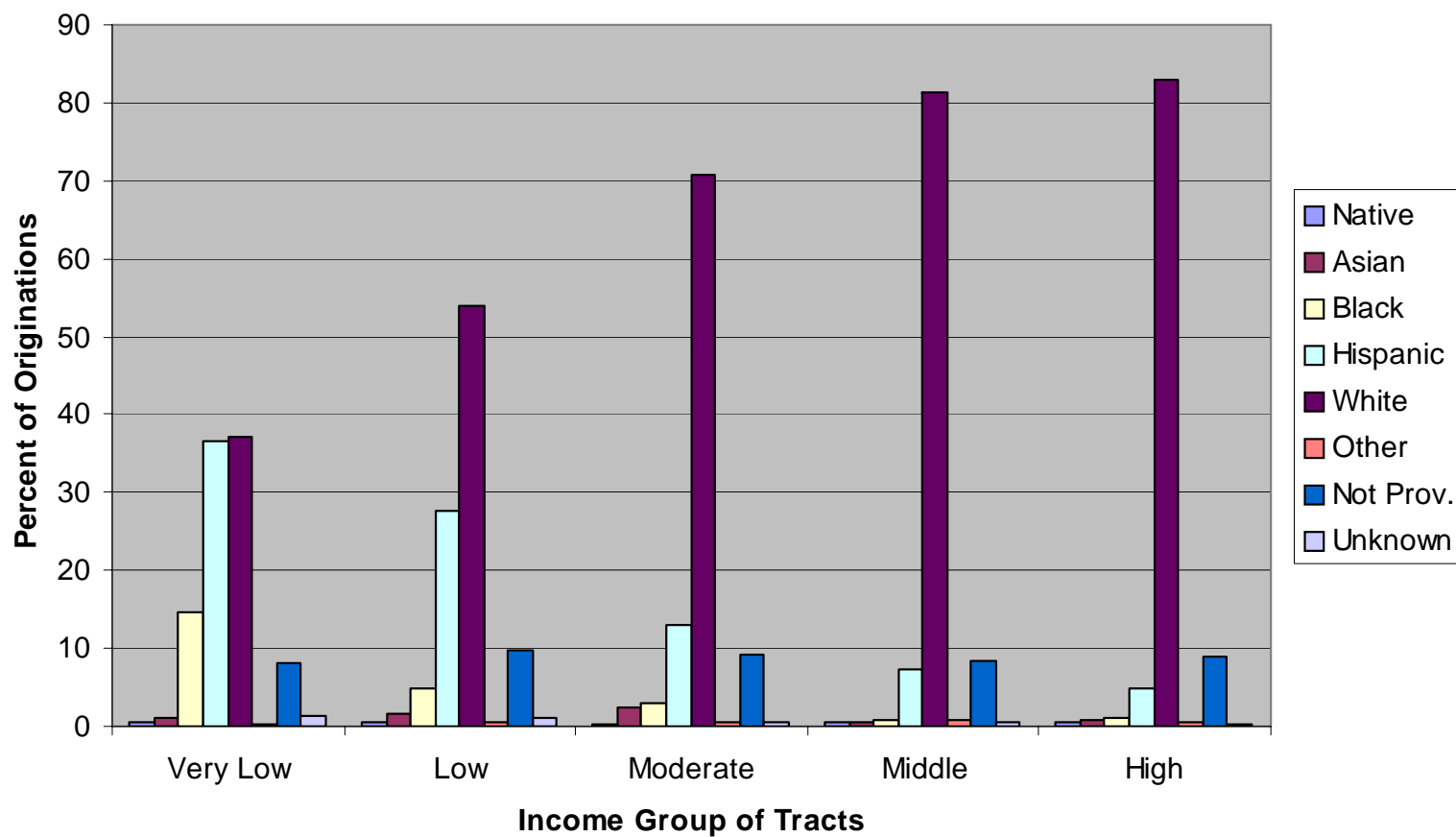


Chart 4.1.6
Percent Originations by Applicant Income within Tract Income Groups

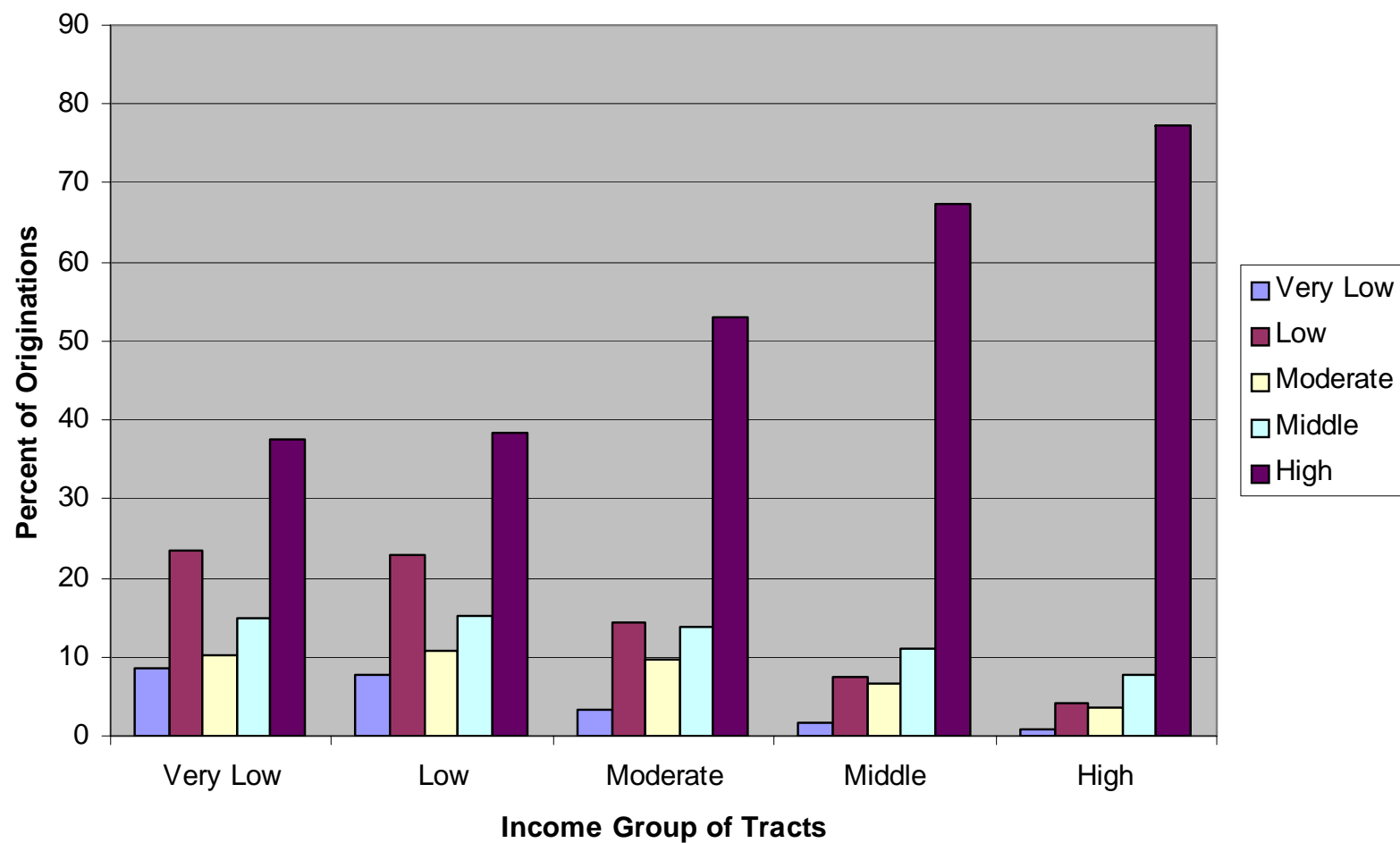
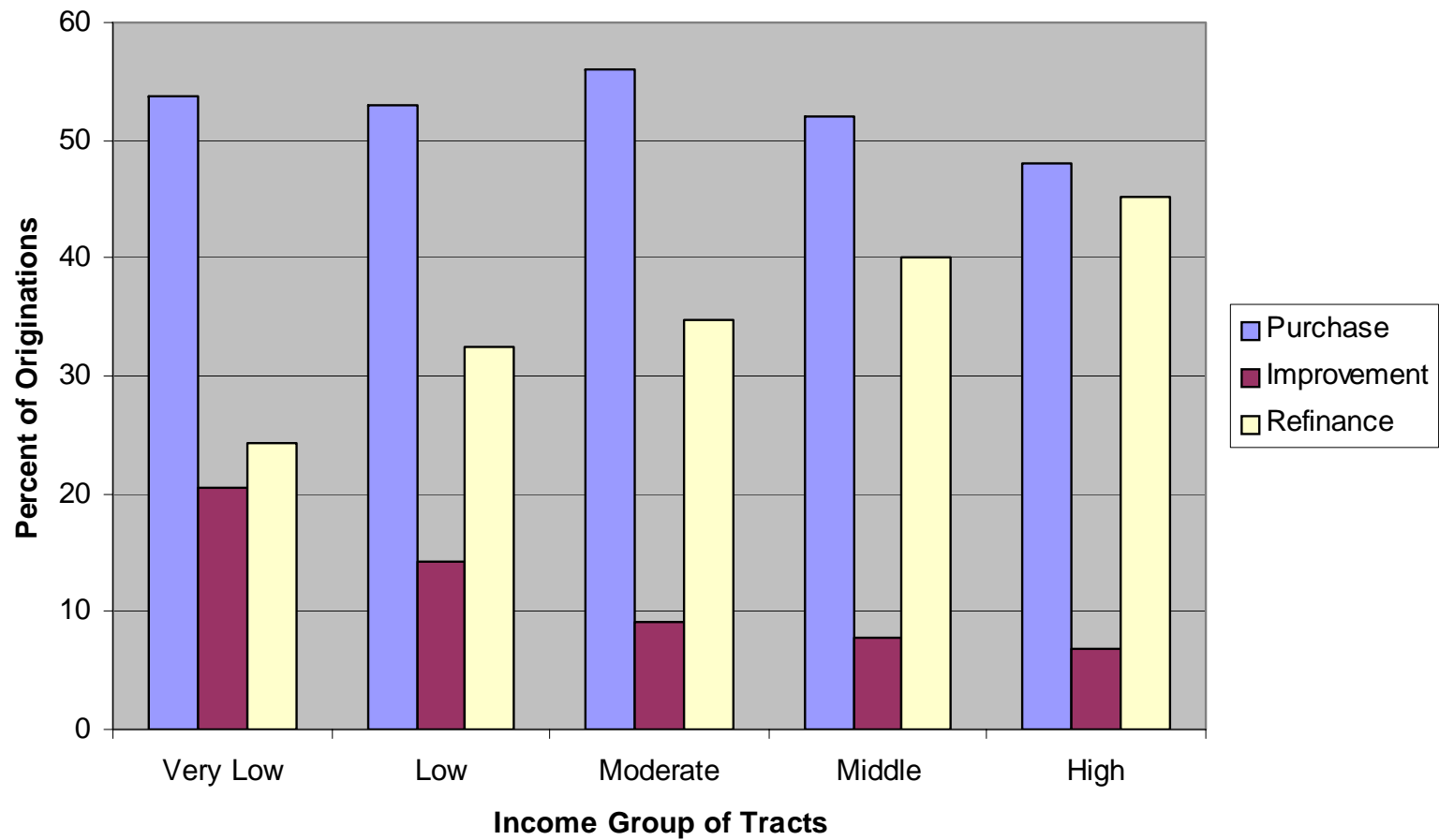
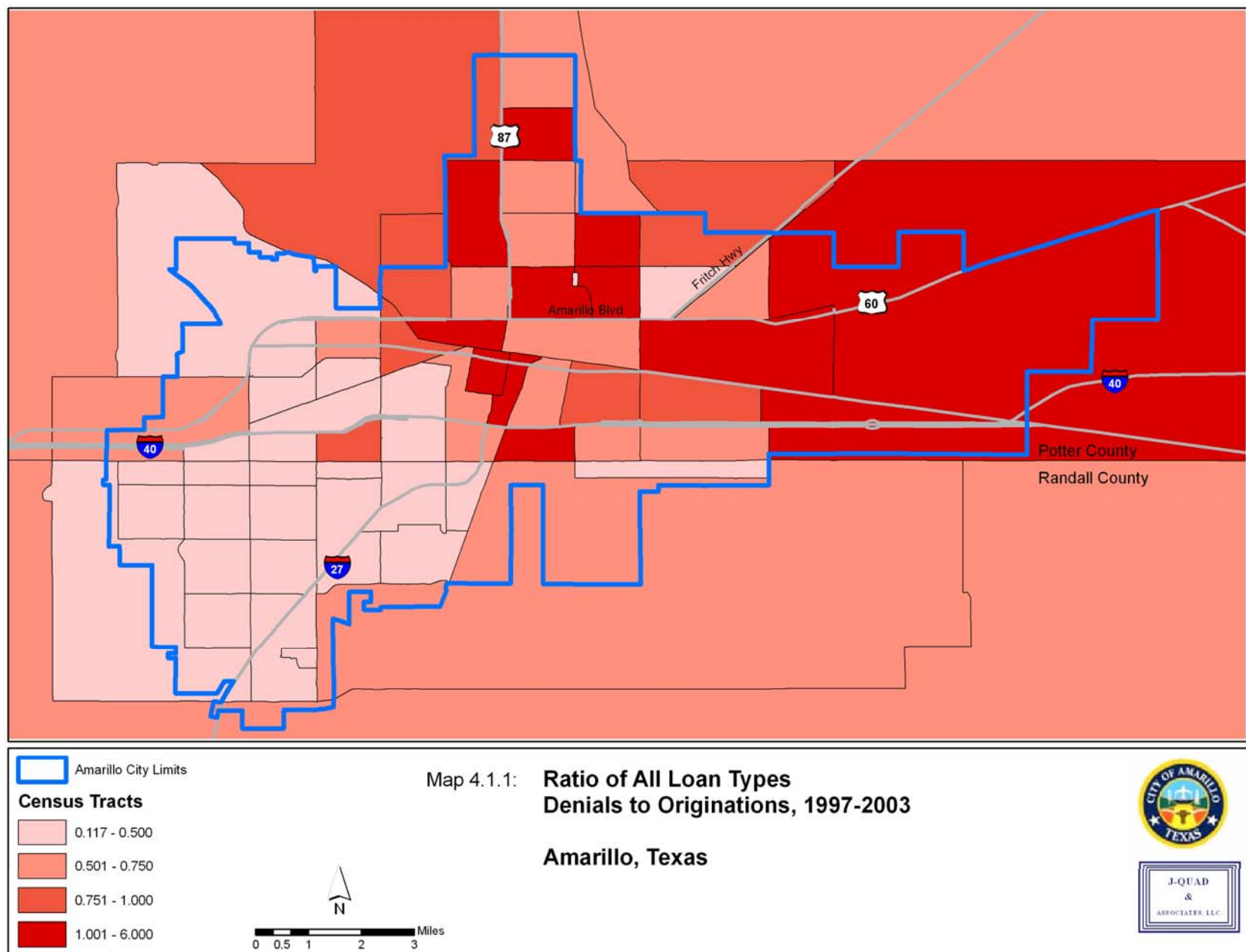
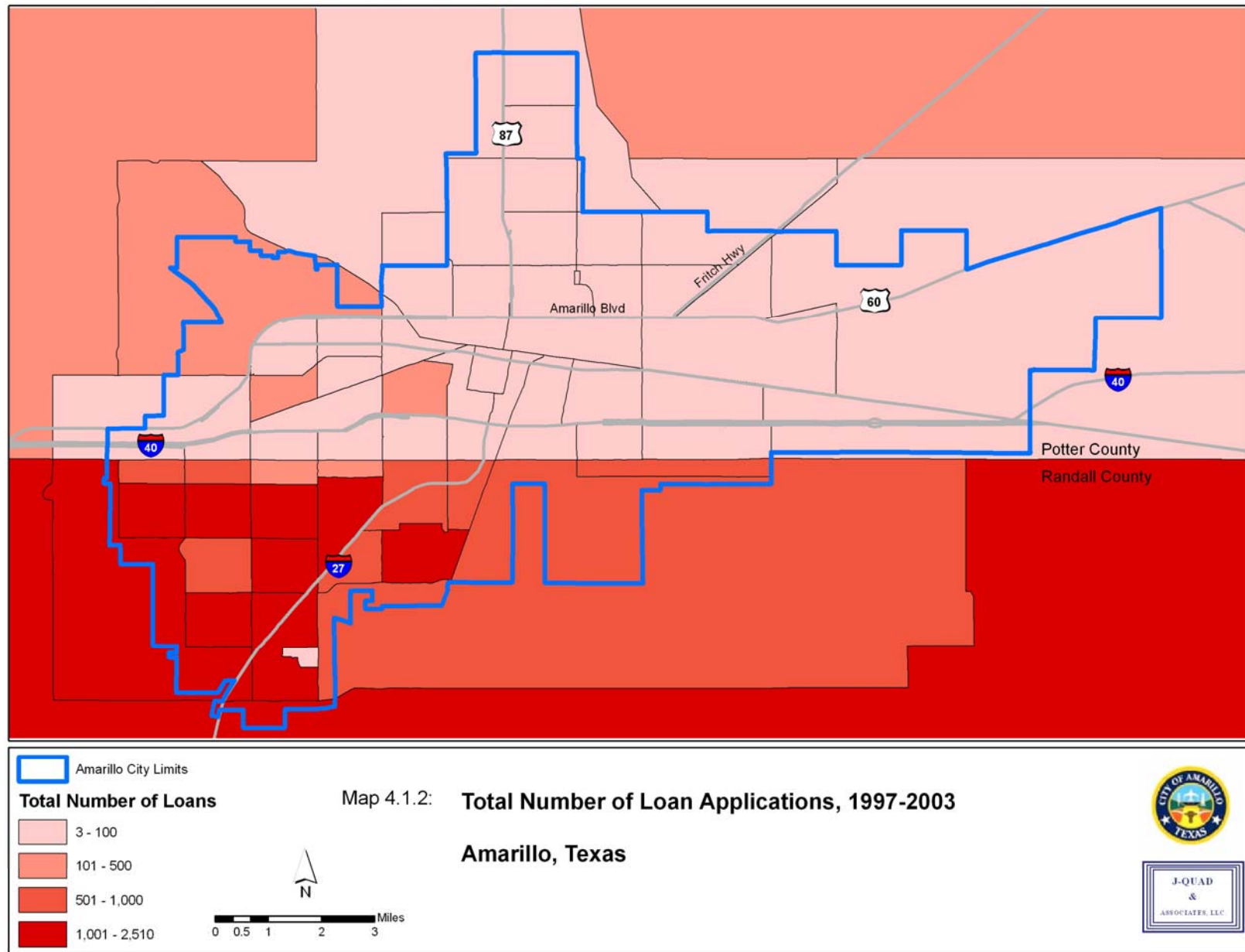
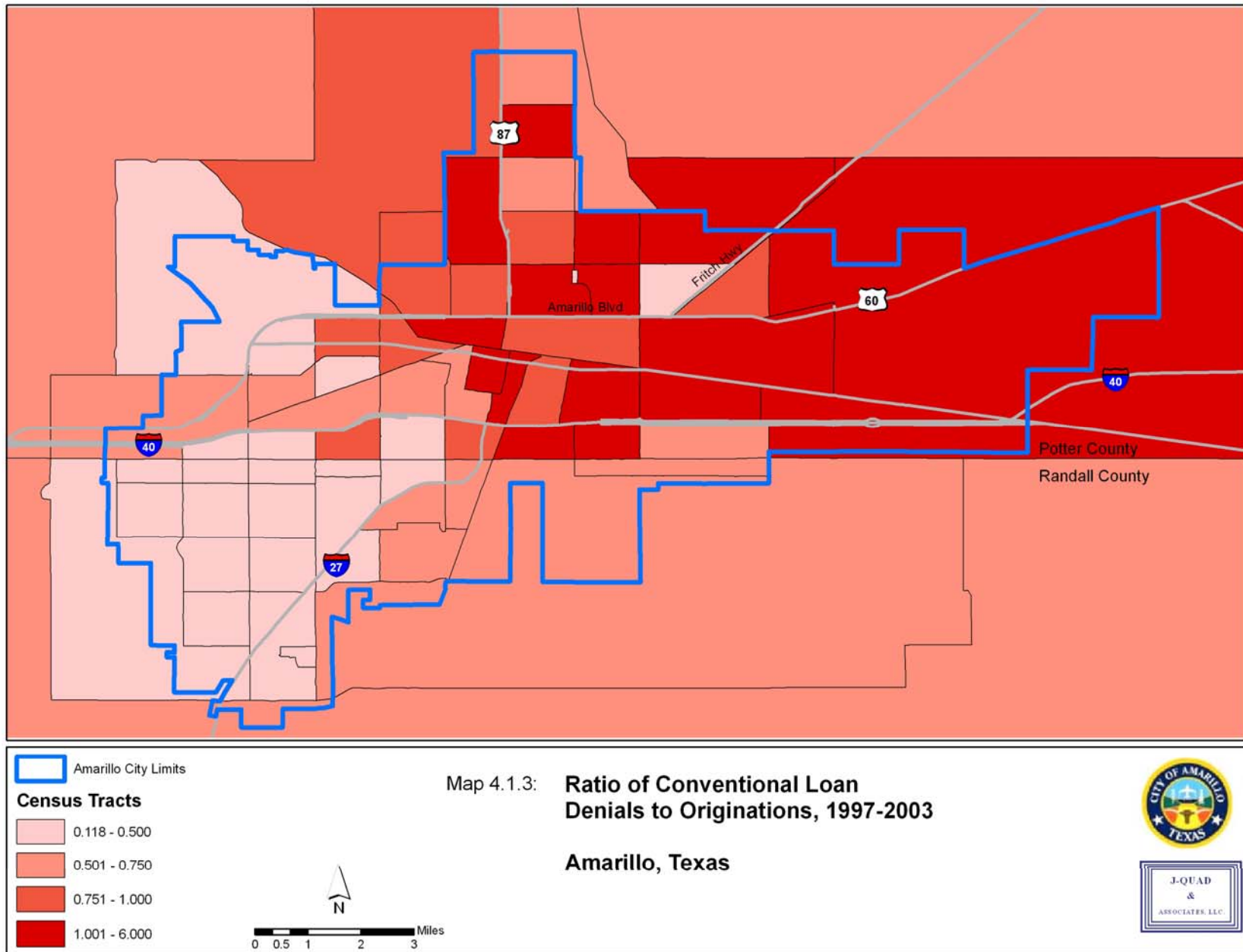


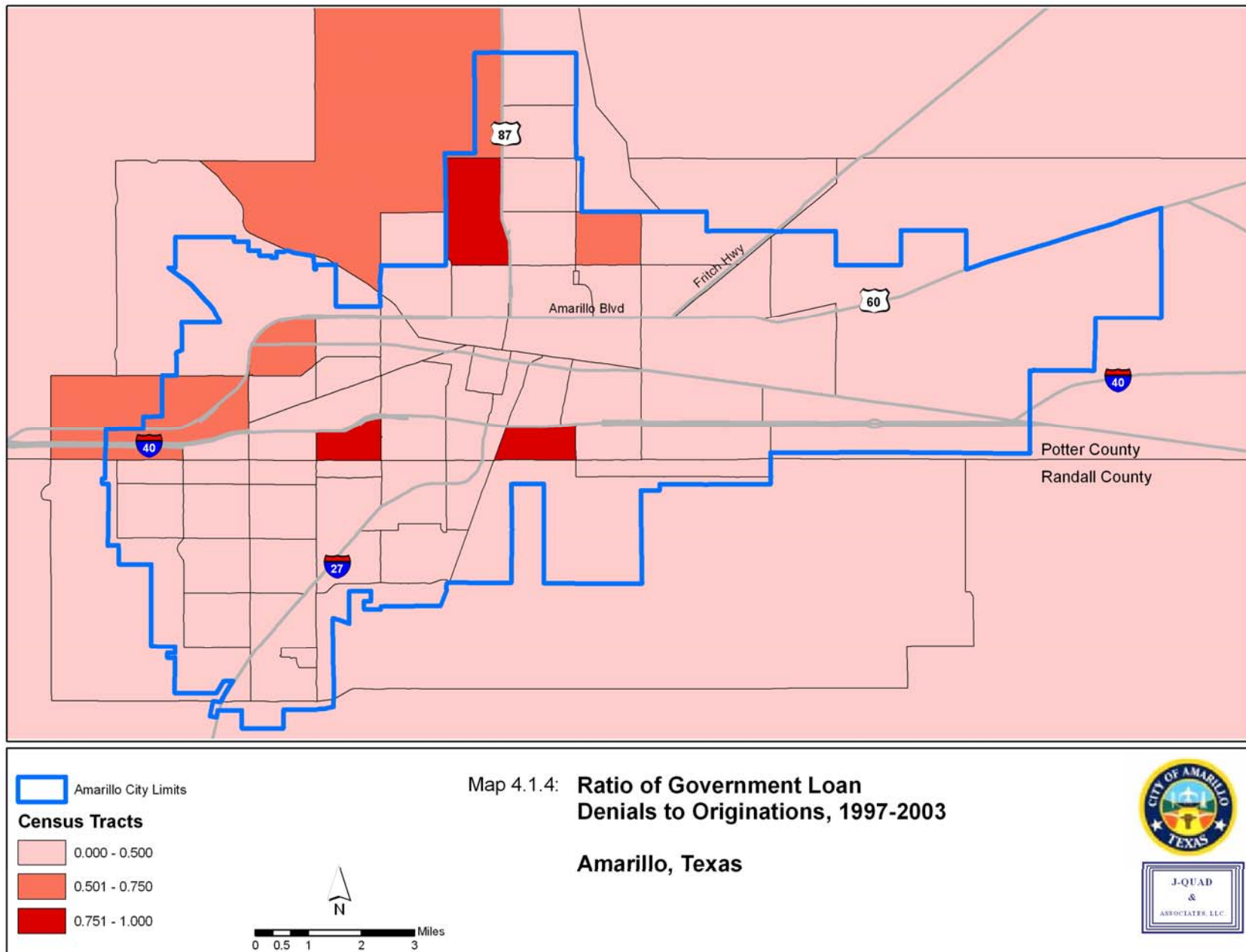
Chart 4.1.7
Percent Originations by Loan Purpose within Tract Income Groups

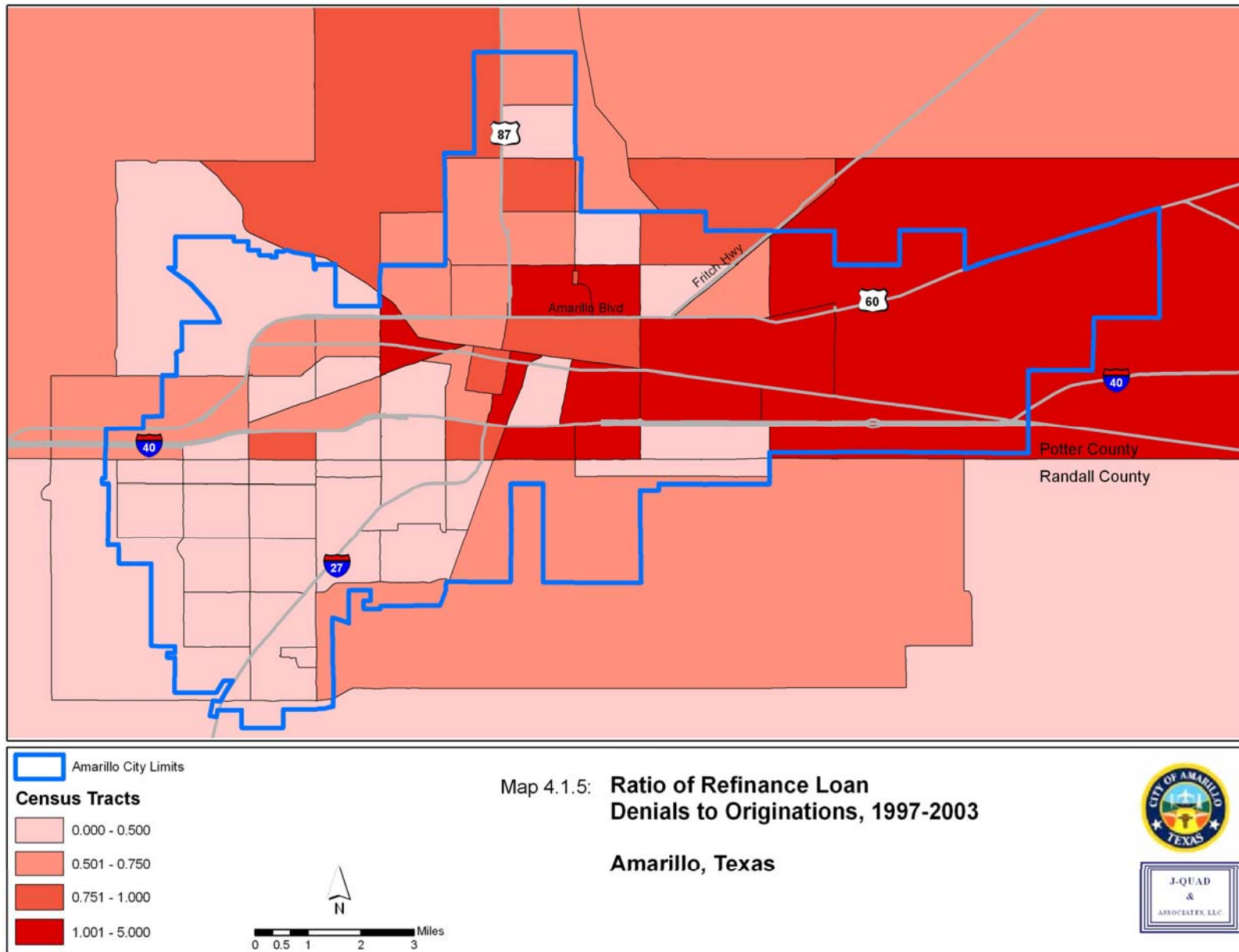


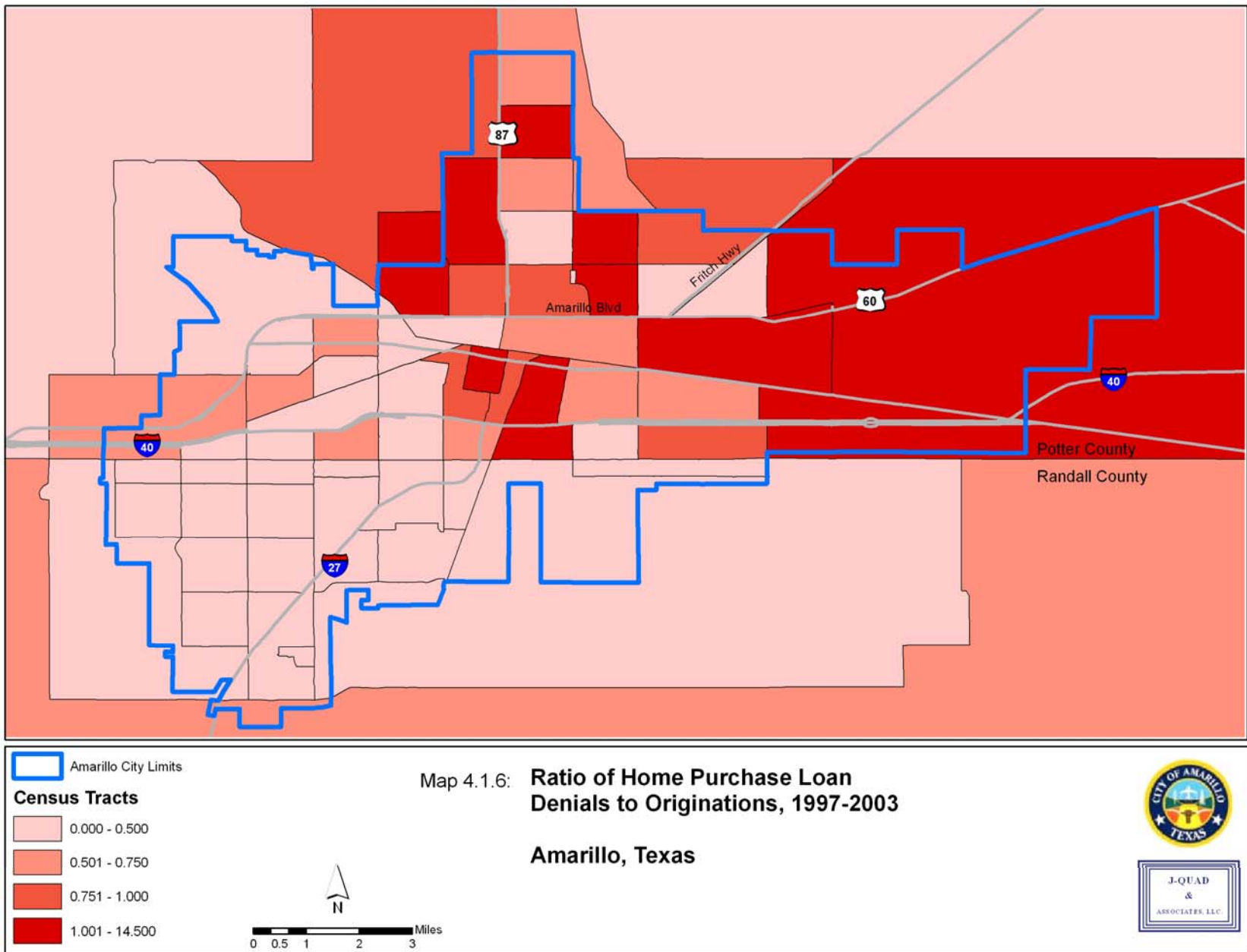


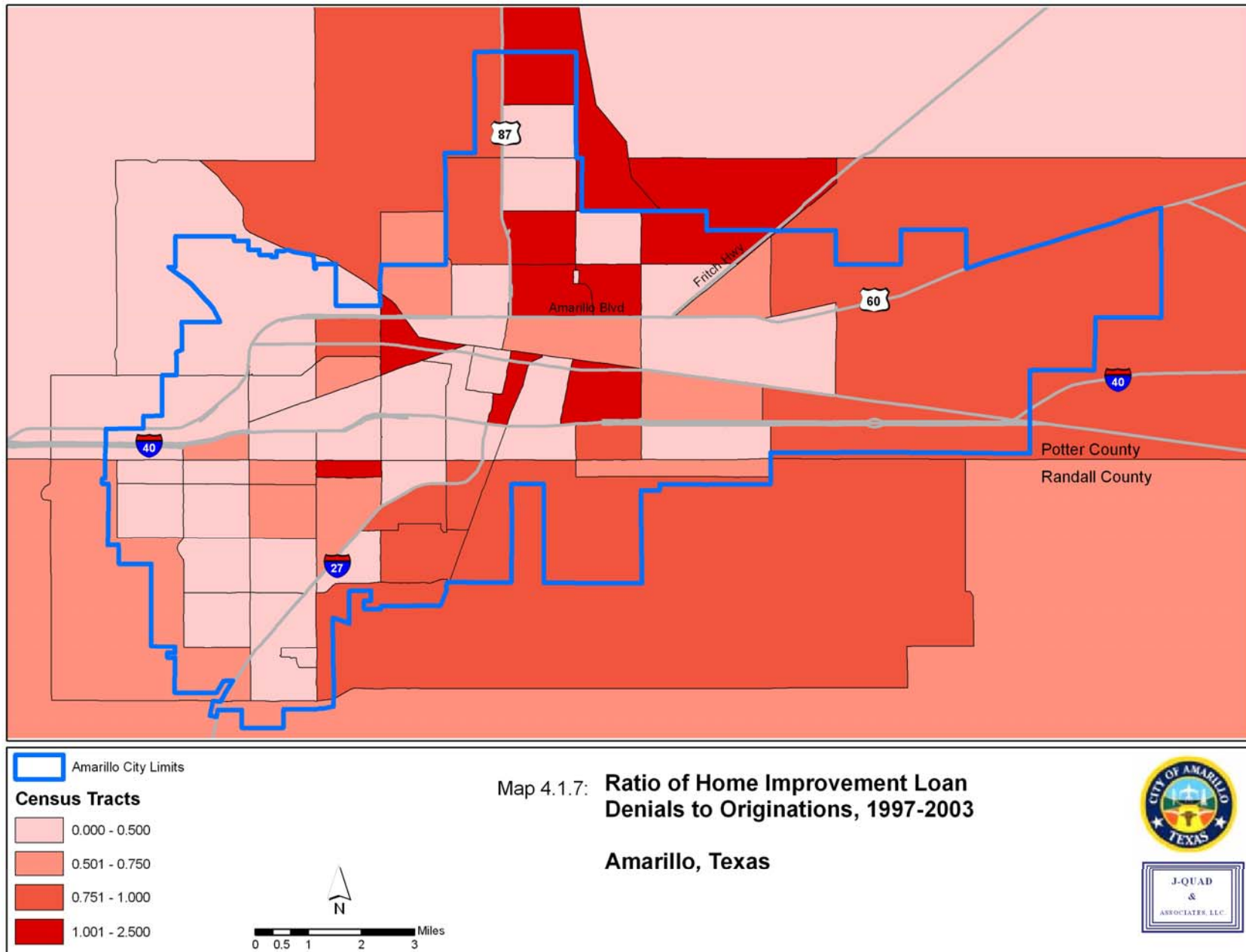












4.2. Fair Housing Index

Introduction

The Fair Housing Index is a measure developed specifically for Analyses of Impediments to Fair Housing. The index combines the effects of several demographic variables with Home Mortgage Disclosure Act (HMDA) data and maps the results by census tract. The map provides a general indication of geographic regions within the City of Amarillo where residents may experience some level of housing discrimination or have problems finding affordable, appropriate housing.

Methodology

Data for ten variables were gathered, by census tract, for analysis. These ten variables were: percent minority, percent female-headed households with children, median housing value, median contract rent, percent of the housing stock constructed prior to 1960, median household income, percent of the population with less than a high school degree, percent of the workforce unemployed, percent using public transportation to go to and from work, and the ratio of loan denials to loan originations for 1997 through 2003 from the Home Mortgage Disclosure Act (HMDA) report published by the Federal Financial Institutions Examination Council. With the exception of the HMDA data, all data were found in the 2000 U.S. Census of Population and Housing. Each variable contained data for every census tract within and around the City of Amarillo as defined by the 2000 U.S. Census.

When the database was complete, Pearson correlation coefficients (a statistical measure that indicates the degree to which one variable changes in relation to changes in another variable and range in value from -1 to 1) were calculated to assure that all variables displayed a high relationship to each other. It is

important, in this type of analysis, that the variables selected are measuring similar aspects of the population. The results of the calculations showed that all variables displayed moderate to high degrees of correlation with other variables in the model, ranging up to 0.8957.

Once the relationship of the variables was established, each variable was standardized. This involves calculating a Z-score for each record by variable. For instance, for the variable percent minority, a mean and standard deviation were calculated. The mean for the variable was subtracted from data for each census tract and divided by the standard deviation. The result was a value representing the distance that the data point lay from the mean of the variable, reported in number of standard deviations. This process allows all variables to be reported in the same units (standard deviations from the mean) and, thus, allows for mathematical manipulations using the variables.

When all variables were standardized, the data for each census tract were summed with negative or positive values given to each variable to assure that effects were being combined. For instance, in a fair housing environment, high minority concentrations raise suspicions that there may be problems in the area. Therefore, the percent minority variable would be given a negative value. Conversely, one would think that in areas of high housing values, the current residents are not having problems with fair housing choice. Median housing value, therefore, would be assigned a positive value. Each variable was considered in this light and assigned an appropriate sign, thus combining effects. This new variable, the total for each census tract, was then standardized as described for the original ten variables above.

The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination. With the data presented in standardized form, the results can be compared to the

standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1. The analysis shows extreme problem areas as those census tracts with standard scores below -2.00. Scores between -1.99 and -1 are designated problem areas. Scores between -0.99 and 0 are reported as below average and above 0 as above average. The results are summarized in the following section.

It should be emphasized that the data used to perform this analysis do not directly report fair housing violations. The data were utilized in order to measure potential problems based on concentrations of demographic groups who most often experience restrictions to fair housing choice. Areas identified as having extreme problems are those where there is a high concentration of minorities, female-headed households, unemployment, high school dropouts, low property values, and, most likely, are areas where a large proportion of loans (conventional home mortgages, FHA or VA home mortgages, refinance, or home improvement) have been denied.

Findings

Looking first at the correlation table (Table 4.2.1), several high correlations are worth noting. First, the loan denial to origination ratio has a high correlation to percent minority (0.7650). This means that in areas with high concentrations of minorities, the loan origination rate is very low. There is also a high correlation between the loan denial to origination ratio and less than high school degree (0.7081) indicating that individuals who had less than high school education are lesser likely to originate a loan.

Second, the correlation between percentage median household income and percentage female-headed households with children is high and negative (-0.7656), meaning that lower income groups had higher the percent of female-headed households with children.

Unsurprisingly, there is a strong correlation between incomes and house values (0.8183). Non-high school graduates live in much lower value housing (-0.8008). Less than a high school degree is also strongly correlated with percent minority (0.8957). Minorities live in lower valued housing in Amarillo (-0.7626).

As indicated on Map 4.2.1, the census tracts designated as having extreme problems are concentrated in the northern-central tracts of Amarillo.

These areas of greatest concern contain the oldest housing stock (which is probably in poor condition), with low housing values and rents, and are primarily occupied by minority households (which are often headed by females with children). There is a higher than average unemployment rate and lower than average level of educational attainment.

Included following the map is the correlation table (Table 4.2.1). MedValue is the median home value according to the 2000 census. MedRent is the median contract rent. XMinority is the percent minority. XFemHH is the percent female-headed household. XPre60 is the percent of housing built prior to 1960. MedHHI is the median household income. XLessHS is the percent of the population 25 years of age and older that has less than a high school degree. XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. AllRat is the ratio of denials to originations from the HMDA data from 1997 to 2003.

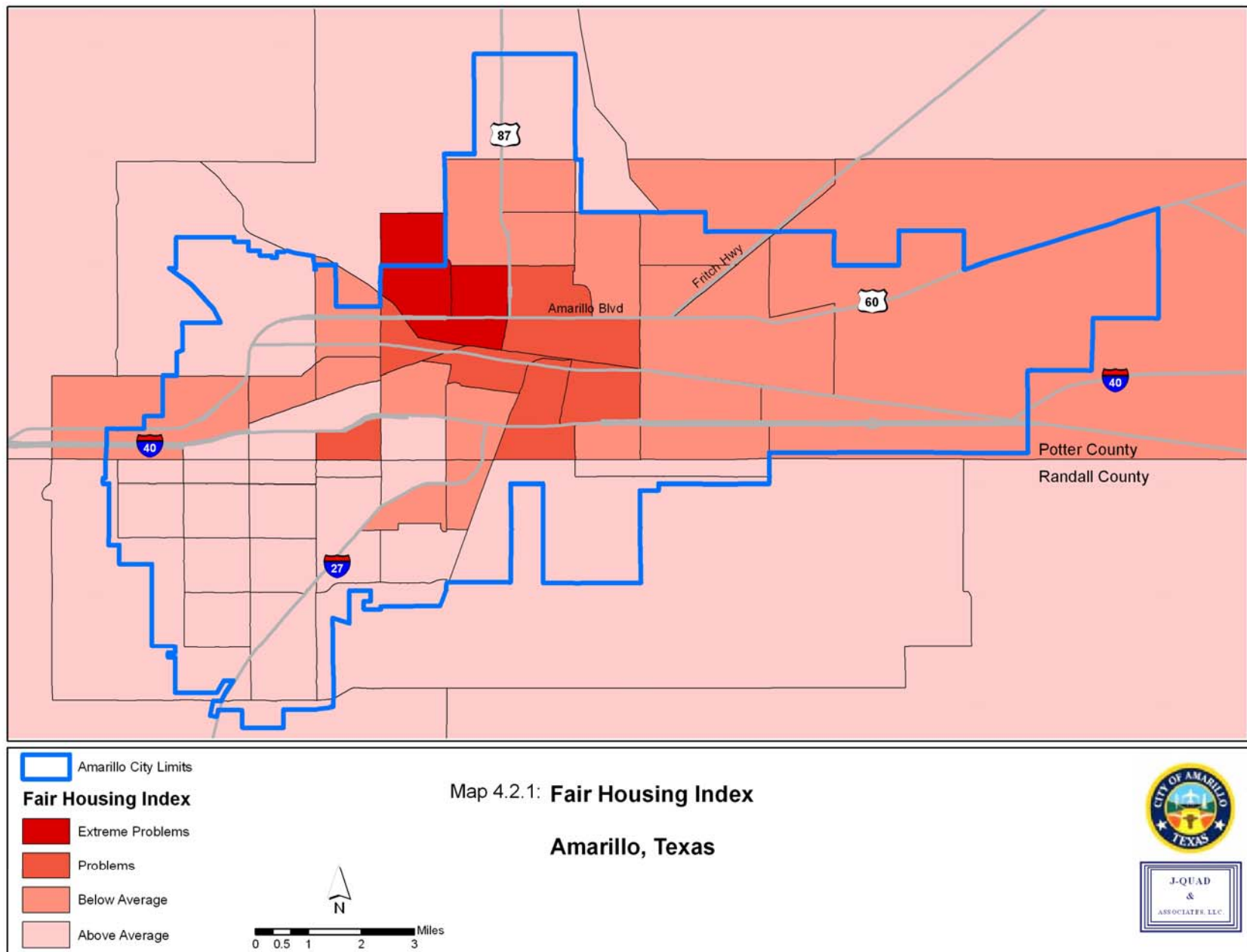


Table 4.2.1

Correlation Table of Index Variables

| | AllRat | XPubTrans | XLessHS | XUnemp | MedHHI | XPre60 | MedRent | MedValue | XMinority | XFemHH |
|-----------|---------|-----------|---------|---------|---------|---------|---------|----------|-----------|--------|
| AllRat | 1.0000 | | | | | | | | | |
| XPubTrans | 0.3896 | 1.0000 | | | | | | | | |
| XLessHS | 0.7081 | 0.2055 | 1.0000 | | | | | | | |
| XUnemp | 0.2653 | 0.1606 | 0.4789 | 1.0000 | | | | | | |
| MedHHI | -0.5805 | -0.4355 | -0.6901 | -0.5166 | 1.0000 | | | | | |
| XPre60 | 0.2569 | 0.2148 | 0.4923 | 0.3334 | -0.5987 | 1.0000 | | | | |
| MedRent | -0.3257 | -0.2248 | -0.4826 | -0.3589 | 0.6055 | -0.2620 | 1.0000 | | | |
| MedValue | -0.6127 | -0.1916 | -0.8008 | -0.5186 | 0.8183 | -0.6675 | 0.4089 | 1.0000 | | |
| XMinority | 0.7650 | 0.3092 | 0.8957 | 0.4760 | -0.6588 | 0.4303 | -0.4214 | -0.7626 | 1.0000 | |
| XFemHH | 0.5613 | 0.5233 | 0.4997 | 0.3536 | -0.7656 | 0.4752 | -0.3322 | -0.6435 | 0.6242 | 1.0000 |

| Variable | Definition |
|-----------|---|
| XFemHH | % Female Headed Households, 2000 |
| XMinority | % Minority, 2000 |
| MedValue | Median Home Value, 2000 |
| MedRent | Median Contract Rent, 2000 |
| XPre60 | % of Housing Built Prior to 1960, 2000 |
| MedHHI | Median Household Income, 2000 |
| XLessHS | % Less than High School Degree, 2000 |
| XUnemp | % Unemployed, 2000 |
| XPubTrans | % Taking Public Transportation to Work, 2000 |
| AllRat | Ratio of Denials to Originations, All Loan Types, 1997 - 2003 |

Fair Housing Impediments and Remedial Activities

Overview

All of the information collected and analyzed was referenced to provide a detailed look at fair housing impediments in Amarillo. Five major categories of impediments were identified: Real Estate Impediments; Public Policy Impediments; Neighborhood Conditions as Impediments; Banking, Finance, and Insurance Related Impediments; and Socioeconomic Impediments. For each impediment, issues and impacts are detailed with remedial actions suggested.

Introduction

Evaluating fair housing concerns is a complex issue involving diverse and wide-ranging considerations. The role of economics, housing patterns, and personal choice are important to consider when examining fair housing choice.

The City of Amarillo has relatively few impediments to fair housing; however, some problems do exist. The City has made notable efforts to address the impediments in their 2000 – 2005 Analysis of Impediment Study.

Each impediment identified in this section is followed by a discussion of the issues surrounding the listed impediment, the impact the impediment has on the community and the protected classes, and a remedial recommendation. Some of the remedial actions recommended in this section are conceptual frameworks for addressing the impediments. These actions will require further research, analysis, and final design by the City of Amarillo for implementation.

5.1. Real Estate Impediments

Impediment: *Lack of affordable housing.*

Issues: The current supply of affordable housing is insufficient to meet the demand, thus there is a shortage of affordable housing in Amarillo. Although the City has funded some limited housing development activities, these housing initiatives are inadequate to serve the City's population of low and moderate-income families. An analysis of household income within the City suggests that additional affordable housing is needed. Over 74 percent of very low-income and over 56 percent of low-income homeowners and renters were more than 30 percent cost burdened in 2000; over 56 percent of very low-income and over 16 percent of low-income homeowners and renters were more than 50% cost burdened in 2000. The 2004 PHA Plan stated that there was a waiting list for Section 8 Vouchers. Of families on the waiting list, 80 percent are very low-income families (household income less than or equal to 30%MFI) and 60 percent are families with children; therefore, despite affordable housing efforts there is still a demand for lower priced housing. Many potential buyers often have credit issues or lack the funds for closing costs, preventing them from buying when a unit is available¹.

¹ Talked about in Focus Group Sessions and Interviews. (page 71)

Impacts: Housing affordability impacts the structure of neighborhoods and the potential of a neighborhood to maintain itself as a viable community. As neighborhoods decline, the cost of maintaining properties and the cost of new development can leave a neighborhood struggling to remain an attractive place to live. As conditions worsen, less investment occurs, compounding the deterioration. Housing units eventually become uninhabitable and are removed, leaving vacant lots that bring their own problems to the neighborhood.

The lack of affordable housing units limits housing choice for many residents that earn limited incomes. As a result, many residents live in overcrowded and/or substandard residential properties. Because affordable housing is not plentiful, some residents are forced to seek more expensive housing and consequently are forced to spend more of their income on housing related costs. Households with high cost burdens have less money to spend on other basic needs such as food, transportation, and clothing. Households with low incomes sometimes find that these declining neighborhoods are their only source of lower-cost housing, primarily due to their poor condition and the undesirable aspects of the neighborhood.

The lack of affordable housing also impacts the Section 8 Voucher waiting list. Most affordable housing non-profits in Amarillo concentrate on single-family home ownership. Consequently, meeting the need for affordable

rental housing falls on the shoulders of the City, which administers the assisted housing programs, creating long waiting lists for Section 8 Vouchers.

Remedial Actions: The City of Amarillo should continue to support and expand activities that promote affordable housing opportunities. Particular attention should be paid toward increasing the production of affordable housing through CHDOs, for-profit developers, various non-profits, and the City's rehab and downpayment assistance program. This increase in production can be achieved by exploring other sources of funding, such as the Federal Home Loan Bank Affordable Housing Grant Program.

The need for affordable housing in Amarillo is and will always be greater than the federal dollars that HUD can supply. To be effective, the City has to be creative and strategic in its approach to the affordable housing need. The City should develop a strategic housing plan and create a public-private partnership to implement the plan. This plan should address issues such as land-use barriers, regulatory changes, tax abatements, financial incentives, and a land trust. This document would help the City strategically plan their housing priorities. Knowing there is a need for affordable housing stock is not enough, the City must determine the type of housing needed (rental verses owner or multi-family verses single-family) and the geographic locations that will have the greatest impact and

reduce the need the most. An affordable housing strategy can assist the City in achieving this goal.

Impediment: *Large stock of substandard rental housing units in minority census tracts.*

Issues: A large portion of the current housing stock in Amarillo's predominantly minority census tracts was built prior to 1960. There is a correlation between majority minority census tracts and older housing stock². Much of this housing has not been maintained over the years and therefore is deteriorating. A large share of the single family housing stock has been turned into rental housing and has become the major housing supply for the very low and low-income population³. Many of the landlords are negligent and do not maintain the upkeep of the housing⁴; therefore many of the units deteriorate into unsafe and substandard living conditions. The Section 8 program has condition standards that have to be met before a tenant is allowed to rent the unit. The waiting list for the Section 8 program is long (average 1.5 years wait), so most low-income citizens rent affordable market rate housing which is often in substandard condition. Currently, code enforcement primarily conducts exterior

² Refer to Map 1.5.3 on page 37 (Pre 1960 Housing Stock) and Map 1.1.3 & 1.1.4 on page 8 & 9 showing that the majority of the older housing stock is located in predominately minority census tracts.

³ According to the U.S. Census 52.56 % of the rental housing stock was built pre 1960 suggesting that this older housing stock has been converted to rental occupancy.

⁴ Discussed consistently in all Focus Group Sessions and Interviews, refer to page 71

maintenance inspections because they can only perform an interior inspection if a complaint is reported to them.⁵

Impacts: Without other options in the affordable housing market many low and moderate-income residents do not complain about these issues in fear of retaliation, such as a raise in rent or a property eviction. As neighborhoods fall into disrepair, more and more homes drop below the level of repair needed to maintain habitability. Also, without stronger codes and laws in place to penalize neglectful landlords the problems continue to increase because tenants are afraid to complain and landlords are comfortable not complying because of the high demand for affordable housing. Under current ordinances, without tenant complaints the code enforcement department is limited in their assessment of interior conditions.

Remedial Actions: The City of Amarillo has a Code Enforcement Department that is smaller than the problem. The Code Enforcement Department is reactive instead of proactive due to limited staff. Many citizens are not aware of how to complain about substandard interior code violations. The City needs to find a new way to educate the public on available resources. This may entail a creative marketing strategy. For example, information seminars at the major employers, commercials on

⁵ According to the 2004 Community Services Division Annual Report the Code Enforcement department in the Neighborhood Services Category inspected 55,454 complaints related to exterior maintenance issues and only 3,754 inspections related to other neighborhood services complaints during Fiscal year 03/04.

the radio, and mailings throughout the community are a few ideas of how to get the word out.

In addition, much of this problem has to do with some landlords who are taking advantage of low-income renters. Stronger landlord/tenant legislation in Amarillo would help this issue. An Ordinance similar to the Chicago Residential Landlord and Tenant Ordinance would help address and offer remedies to some of the disputes. Some topics that should be considered for the ordinance are tenant remedies, lockouts, landlord remedies, failure to provide essential services, security deposit, landlord right of access, landlord duties, late rent, fire and casualty damage, and any other pertinent issues that frequently arise.

Many cities have dealt with the same issue by establishing a Rental Inspection Program. This would help the City make sure that the rental housing stock is brought up to code and maintained to the minimum housing standards, and occupants can be assured an acceptable level of habitability. Most rent inspection programs require all rental housing to be inspected in order to obtain a certificate or license. Once a certificate/license is obtained the housing does not have to be reinspected for another one to seven years depending on the size of the jurisdiction and code department. The unit can be inspected sooner if complaints are filed. This type of program has had successful results across the U.S., in places such as Cedar Rapids, IA; Rock Island, IL; and Garland, TX.

5.2. Public Policy Impediments

Impediment: *Need for an increase in leveraging other resources for housing.*

Issues: While the City of Amarillo should be commended on their effort to use their HUD allocations wisely and effectively, they are not taking advantage of additional resources available that could assist the City in meeting affordable housing needs. The supply of HUD funds dedicated to the provision of affordable housing is limited. As housing issues receive more attention in public debate, the demand for these funds increases. Given the extent of the decent affordable housing needs in Amarillo⁶, the City needs to expand the impact of the federal funding available by maximizing the use of additional resources from lending institutions, developers, corporate entities, and other federal sources. The partnership formed between the City, Catholic Family Services, and Amarillo National Bank was a great effort and collaboration of resources. This effort needs to be duplicated to have a greater impact on affordable housing needs.

Impacts: Limited leveraging of private resources places reliance solely on funding available from the federal government. These days, federal funds are in short supply and have recently seen several budget reductions. Federal funds alone are not sufficient to counter the problems

⁶ This need is indicated by the section 8 voucher waiting list. The 2004 PHA plan listed that there are 2,026 families on the waiting list for the program.

facing low-income neighborhoods; therefore, the current programs that the City has in place are limited in their impact.

Remedial Actions: The City should increase current affordable housing production by requiring higher levels of participation from outside financial sources on some of the City-funded housing initiatives. This philosophy can also be used for the City's housing rehabilitation program. It has long been determined that major and minor rehab needs are far beyond the funding capabilities of the program. Partnerships with private and non-profit agencies will help the City meet the needs of a larger portion of the population. The current partnership the City has with Christmas in Action and Cornerstone Outreach is an example of partnerships that should be duplicated.

New housing projects should take advantage of opportunities through the Federal Home Loan Bank and Fannie Mae for additional grant allocations that can help bridge the financing needs of the homebuyers. Market rate financing can be added as a portion of the loan program for affordable housing. Financial institutions can underwrite a portion of the subsidy for affordable housing projects.

5.3. Neighborhood Conditions As Impediments

Impediment: *Lack of public transportation options.*

Issues: Bus service provided by the Amarillo City Transit (ACT) is currently providing service only Monday through Saturday from 6:30 am to 6:30 pm. Although limited services are an issue currently, the overall demand for extended services is small and declining for the mobile population. The largest subpopulation with the greatest need and demand is the disabled and elderly population. There is no longer an operational private carrier or taxi service that provides accessible transit services. While the Spec-Trans Systems (a part of ACT) has recently added an additional vehicle there is still a larger demand for accessible services than ACT has the capacity to provide.

Impacts: Restricted mobility imposed by limited bus services forces the disabled population to remain in their homes. After the Olmstead ruling, there is a large percent of the disabled community living independently. Since there are limitations on accessible housing choice, those without nearby family and friends are reliant on the public transit system to get to and from work, school, doctor appointments and retail conveniences. The mobile low to moderate-income population, which includes those working as well as the elderly, are limited in affordable housing choices based on lack of transportation access. Therefore, housing selection may be based

on where coworkers with cars reside or the walking distance to employment or retail services. This impact may result in low ridership demands.

Remedial Actions: The City of Amarillo should consider several ways to expand public transportation services. By studying the mobility patterns of the city, transit strategies can be developed that will meet the transit needs of the low and moderate-income workers, disabled, and elderly population. The hospitals should be approached about offering hospital shuttle services that can potentially be funded through the Department of Health.

Creating a marketing campaign should increase ridership. The Amarillo population should change their perception of the public bus system. Public transit should become a viable and realistic option for all of Amarillo. Once ridership is increased and a plan is in place the City can explore additional funding options such as a tax increase, bonds, registration fee increase, and additional TX DOT grants.

Impediment: *Lack of education of the fair housing law and rights granted under the law.*

Issues: Education concerning law, rights, resources, and enforcement seem to be the largest barrier impeding fair housing. Currently, education and outreach efforts are handled by the City of Amarillo. While great efforts have been made on the part of the City, the efforts are limited. There are no local investigation, outreach, or enforcement agencies. Some housing non-profits do educate their clients on fair housing and Section 8 recipients must attend an introduction to the program, which covers fair housing law. But the vast majority of the population is unaware of the law and their rights granted under the law. Many who are aware of their rights are not aware of how to file a complaint. Although the City is a resource, the low number of complaints⁷ suggests that many are still not aware, indicating that many may not feel comfortable using the City as an advocacy agency.

Impacts: The result of inadequate fair housing outreach is a generally miseducated public, unaware of their rights, and easy prey to unscrupulous real estate professionals or uneducated landlords who think that the only effect of their actions is to protect their own property. With little knowledge of their rights, potential buyers or tenants do not realize when advantage is being taken of them. Without a safe haven or place to

⁷ Page 62 – Section 2 – Fair Housing Law
Section 5: Impediments and Remedial Activities

call on when rights have been violated, many may feel helpless and continue to suffer the effects of discrimination. A low number of housing discrimination cases does not suggest that there is a minimal level of housing discrimination; it suggests that victims of discrimination are unable to register a complaint because there is no place to file within the jurisdiction.

Remedial Actions: A local fair housing program needs to be established in Amarillo to educate consumers and housing suppliers about fair housing rights, and to monitor and enforce fair housing laws. Sufficient funding must be appropriated to fund it.

In addition, fair housing programs need to be offered by existing neighborhood organizations that understand the needs and speak the languages of their constituents. Providing more fair housing education and outreach through community-wide education events, like the City of Amarillo Service Fair, will help residents develop an increased understanding of their rights under the law and the many forms of discrimination. An establishment of a local fair housing program will make it much easier for residents to file a complaint.

A fair housing web-based complaint system that ties into code enforcement could be established to track incidents of discrimination and to provide information on filing complaints.

5.4. Banking, Finance, And Insurance Related Impediments

Impediment: *Credit Issues that limit financing options and ability to qualify for a loan.*

Issues: In many instances, potential homeowners are denied mortgages and financing for homeownership due to a poor credit history or the lack of a credit history. This ‘mortgage denial factor’ makes it difficult for some residents who are currently renting to transition to homeownership; instead these residents continue to lease rental properties and fail to take advantage of homeownership benefits (i.e. building equity, wealth or becoming financially stable) that accrue over the long term. Without proper financial literacy education, residents may continue to make unsound financial decisions. Financial literacy for teenagers and young adults before their credit becomes damaged and financial education strategies for those who need to repair their credit enables potential homebuyers to qualify for the best credit terms in major purchases and eliminates the major obstacles to loan origination. An early start in managing personal finances can prepare an individual to purchase a home rather than continuing to rent.

HMDA data suggest that the majority of refused applicants were denied home mortgages due to credit history, debt-to-income ratio, and lack of

collateral. In Amarillo, credit history denials included applicants with poor credit or no credit. Approximately 5,469 applicants were denied mortgages due to credit history. This was the largest reason for loan denials. Coming in a distant second, 1,925 applicants were denied mortgages due to debt-to-income ratio, and 1,293 applicants were denied based on the applicant's collateral. Limited income further complicates an individual's ability to improve their financial portfolio, thus continuing the economic hardship and preventing individuals from qualifying for a mortgage in the future.

Impacts: Financial literacy is an important factor in the successful management of personal finances, which sets the stage for all of life's important purchases...house, car, etc. A well ordered personal budget enables homebuyers to qualify for the best credit terms in major purchases and eliminates major obstacles to loan origination. An early start in managing personal finances can prepare an individual for those major purchases.

Remedial Actions: To improve origination rates and reduce the high rate of mortgage denials, the City of Amarillo should work with the schools to address the importance of financial literacy. In conjunction with banking and real estate professionals, the City should devise a course that educates students on financial planning and credit management. The

goal of financial literacy education is to provide timely financial education to students before they enter adulthood and make unsound credit and financial decisions. The City could sponsor a pilot program in CDBG eligible census tracts with the use of entitlement funds as a means of launching and demonstrating such an initiative.

The City should work with housing advocates to continue homeownership counseling and down-payment assistance that address topics on credit worthiness, financing, and homeowner responsibilities. Special emphasis should be placed on activities that encourage residents to transition from renters to homeowners.

Amarillo should encourage lending institutions to market alternative methods for qualifying residents for mortgages. Many lending institutions have qualifying programs that accept utility bills, car payments, and occupational longevity as a means to establish credit for those lacking credit or with less than perfect credit.

Impediment: *Characteristics of redlining.*

Issue: Redlining is a practice where mortgage companies refuse to do business within the boundaries of certain areas considered to be undesirable. This act is typically racially discriminatory since the areas in

question usually contain largely minority populations. The HMDA analysis does not provide conclusive proof that redlining exists, but it does show that loan originations in low-income census tracts are less likely to be granted than loan originations in higher income census tracts regardless of the applicant's income level.

Regardless of income levels of applicants, the percent of loan origination rates in the City's low-income census tracts does not exceed 40 percent. According to the 1997-2003 HMDA analysis chart on page 99, high-income households (120 percent or greater than the median income) have a loan origination rate of just 37 percent, and moderate-income households (81-95 percent of the median family income) have a loan origination rate of 10 percent in low-income census tracts. Low-income households (51-80 percent of the median family income) have a loan origination rate of 23 percent. This higher percentage may be due to non-profits and City's efforts to produce affordable housing units and find qualified buyers. And very low-income households (below 50 percent of the median family income) have a loan origination rate of eight (8) percent. High income applicants have almost a 30 percent increase in origination rates in high-income census tracts. This shows characteristics are consistent that with redlining in low-income census tracts.

Impact: Redlining limits potential investment in areas that are blighted and stagnant. Developers find that lending institutions are less likely to fund development projects in these areas which cancel any incentives that the City may offer developers. As economic development continues to elude these neighborhoods, the neighborhoods continue to decline, families move out, and houses are left vacant.

Remedial Solutions: The City should consider a Neighborhood Revitalization Strategy to assist in rehabilitating blighted areas. The strategy should include a plan to rehabilitate existing housing units, construct infill housing units on vacant lots, and encourage community-based economic development projects.

In addition, the City should host a roundtable discussion with lending institutions to share data from HMDA analysis, specifically highlighting loan originations in low-income census tracts. Part of the discussion should be to emphasize the need to invest in low-income census tracts to stimulate growth and stabilize existing neighborhoods.

5.5. Socioeconomic Impediments

Impediment: Absence of an economic base in North Amarillo.

Issues: The absence of an economic base in a neighborhood forces residents to look elsewhere for essential services that every household must utilize. Grocery stores, convenience stores, gas stations, fast-food restaurants, dry cleaners, and other types of shops are needed in communities to serve the needs of the residents and also provide them with job and investment opportunities. Local ownership of these enterprises provides wealth-building mechanisms that improve the prospects of the proprietors and improve the financial standing of the community as a whole.

Impacts: When local retail services do not invest in a community it is a sign that neighborhood conditions are not sufficient to support local services. It is like a “catch 22”, where retail services are reluctant to move into the area because of the lack of client base and homebuyers are reluctant to purchase in the area because of a lack of retail services. Meanwhile, conditions continue to decline and become increasingly less attractive for economic initiatives. It is clear that while revitalizing the housing stock, attention must be paid to improving the availability of local services, without which homebuyers will be reluctant to reenter or remain in the community.

Remedial Actions: It is vital for Amarillo to build upon its existing economic base in order to encourage and foster new economic development. The City should pursue programs that increase interest in retail services in North Amarillo and the City should continue to provide assistance to small businesses. Developing economic opportunities for small, neighborhood based businesses is one method of providing technical assistance.

Factors such as housing, healthcare, education, and childcare will also play important roles in improving the economic conditions in low-income neighborhoods. Using the 2005 Consolidated Plan as a tool to develop an economic strategy for Amarillo will help the City plan how to leverage current resources and funding. In addition, the encouragement of mixed-income neighborhoods will also add to the economic growth in these areas.

Impediment: Lack of income.

Issues: For many households, lack of income is a major factor preventing the exercise of housing choice.⁸ The majority of the lower income households are employed by the service industry,⁹ which is not increasing workers' pay at the same rate as the housing market inflation in Amarillo.

⁸ Page 17 of the Community Profiles, Table 1.2.2, shows the correlation between income and minorities. And Page 112, Table 4.2.1., of the Fair Housing Index section shows the strong negative correlation (-0.6588) between median household income and percent minority.

⁹ Page 15 of the Community Profiles, shows the major industry employers.

As house values rise, housing choice for low-income households tends to be limited to areas with the oldest housing stock, in the worst part of town, and in the poorest conditions. Factors such as family size, education, job skill levels, and under employment are major contributors to the plight of these households.

Impacts: Households experiencing severely low incomes are typically limited in housing choice. Households experiencing severe lack of income typically are subject to living in substandard housing units, falling prey to slumlords who do not maintain their housing or paying high unaffordable rents to stay in a decent unit. Since much of the income is dedicated to housing related expenses, there is less disposable income for other family needs and the chances for homeownership are significantly reduced.

Remedial Actions: The City should work to expand job opportunities through the recruitment of corporate relocations sponsored by the Amarillo Economic Development Corporation. Incentives can be used to entice local corporations seeking expansion opportunities, assistance with the preparation of small business loan applications, and other activities that aim to reduce unemployment and expand the base of higher income jobs. Under the CDBG National Objectives of activities benefiting low and moderate-income persons, the City can fund activities that create or retain jobs as long as 51 percent of the jobs are held by low and moderate-income persons. The City can also form partnerships with the major

employers of the low-income tracts to provide more affordable housing opportunities or training programs to establish a more stable and skilled workforce.

Impediment: Historic Self-Segregation.

Issues: It has been a common trend in American cities to find groups of minorities who self-segregate, out of necessity or choice, into their own neighborhoods. In the 1960's it was common to find a Polish neighborhood or a China town. Even though we are the post civil rights movement era there is still a natural migration of minority populations to concentrate in communities that are familiar to them. Today, some larger cities are seeing a disbursement of the minority population, while many smaller cities are still suffering from distinct lines of segregation and self-selected segregation. In Amarillo, this may be a preferential choice but it is hindering the progression of affordable housing development. While land is cheaper in North Amarillo, many low to moderate-income families refuse to relocate outside of their current neighborhoods even though cheaper housing can be built in North Amarillo due to low land values. As new, younger families are being transferred into Amarillo due to job relocations many native residents are resentful that these young minority families are moving into the traditional African-American or Hispanic neighborhoods.

Impacts: This self-segregating mentality is a hindrance to housing choice. Fixed preconceptions about neighborhoods limit the number of housing units the City and non-profits can supply to meet affordable housing needs due to land limitations in some parts of the city. This issue may even have some discriminatory and steering effects.

Remedial Actions: Amarillo should encourage mixed-income neighborhoods throughout the city. In order to precede in a new direction the City should encourage and support a pilot project demonstrating how mixed-income neighborhoods will work and add strength to Amarillo's neighborhoods.

The City should use regulations and incentives to spur mixed-income development. Regulatory incentives can encourage developers to create these types of projects. For example, a minimum percentage of units to be provided in a specific residential development that is affordable to households at a particular income level, generally defined as a percentage of the median income of the area. This type of regulation should be used in areas deemed desirable by the majority.